

| | | | | | |
|--------------|-------|------------|-------|----------------|-------|
| Amman | £1.18 | London | £1.18 | Paris | £1.18 |
| Bahia | £1.18 | Manila | £1.18 | Rio de Janeiro | £1.18 |
| Bombay | £1.18 | Medan | £1.18 | Sao Paulo | £1.18 |
| Buenos Aires | £1.18 | Montevideo | £1.18 | Singapore | £1.18 |
| Cairo | £1.18 | Norfolk | £1.18 | Tokyo | £1.18 |
| Calcutta | £1.18 | Osaka | £1.18 | Yokohama | £1.18 |
| Colon | £1.18 | Seoul | £1.18 | | |
| Damascus | £1.18 | Taipei | £1.18 | | |
| Hankow | £1.18 | | | | |
| Hong Kong | £1.18 | | | | |
| Indo | £1.18 | | | | |
| Jakarta | £1.18 | | | | |
| Kobe | £1.18 | | | | |
| Manila | £1.18 | | | | |
| Medan | £1.18 | | | | |
| Montevideo | £1.18 | | | | |
| Norfolk | £1.18 | | | | |
| Osaka | £1.18 | | | | |
| Seoul | £1.18 | | | | |
| Taipei | £1.18 | | | | |
| Tokyo | £1.18 | | | | |
| Yokohama | £1.18 | | | | |

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,711

Tuesday August 27 1985

D 8523 B

The debt warning
lights flash
again, Page 10

World news Business summary

New Delhi launches peace bid

India is launching a new initiative to try and revive the Sri Lanka peace talks in a last effort to prevent the island from sliding into widespread civil conflict.

Leaders of the main Tamil guerrilla groups have been summoned to New Delhi for talks today with senior Indian officials in a bid to restart the talks which collapsed last week in Thimpu, the capital of the Himalayan kingdom of Bhutan.

Security forces claimed to have killed 10 Tamil rebels in a jungle battle in eastern Sri Lanka, while in the north rebels held up a train.

Uganda peace talks

Peace talks to try to end more than 20 years of bloodshed in Uganda began in Nairobi, the Kenyan capital, between the new Ugandan military rulers and anti-government rebels.

Bhutto visitors

Thousands of mourners have visited Benazir Bhutto, leader of Pakistan's banned People's Party, since she returned home with her brother's body.

Currency change

Israel's already hard pressed consumers and businessmen face a new ordeal next week with the introduction of the New Shekel.

Sikhs kill Hindus

Security was tightened in Punjab after Sikh gunmen killed two Hindus in a fresh outbreak of extremist violence, while authorities started the run up to next month's crucial state elections.

Wine law protest

About 4,000 Austrian farmers will drive tractors to Chancellor Fred Sinowatz's office today to protest at a stricter wine production law introduced after the scandal over toxic chemical additives.

Sakharov appeal

The son-in-law of internally exiled Soviet dissident Andrei Sakharov asked a United Nations human rights body to press the Moscow authorities to release Sakharov and his wife.

Policeman shot

A French policeman was killed in a shootout with men who broke into a safety deposit storehouse in Saint Laurent du Var near Nice.

Nepal frees

Nepal announced the release of 1,649 people detained for questioning about bomb blasts in June which killed seven people.

Nato exercise

Nato launches its biggest ever naval exercise this week to test its ability to protect vital sea supply lanes from North America to Europe.

Fighter decision

Spanish Defence Minister Narcis Serra is expected to recommend joining the European fighter aircraft project at a cabinet meeting tomorrow.

Socialist disunity

French Socialist Party's executive committee failed to agree on a joint motion to be put before the party congress in October as the basis for an election manifesto.

Chinese rights

China is planning to grant residence rights to foreigners who invest in China.

Balloon crashes

A balloon in which three Dutch pilots were trying to fly the Atlantic crashed in mid-ocean. Two of the balloonists were reported to be safe floating in the gondola.

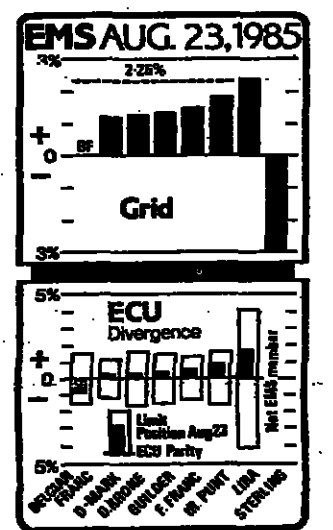
WARNER Communications, the U.S. entertainment group, has agreed to sell a package of its television interests, including its stake in the MTV music video company, to Viacom International, a leading U.S. cable operator.

The deal will give Warner \$500m in cash, along with warrants which would allow Warner the option to buy 2.2m shares in Viacom. Page 12

TOKYO biotechnology issues were led lower by Asahi Chemical. The Nikkei-Dow market average shed 38.32 to 12,651.77. Page 28

WALL STREET: At 2pm the Dow Jones industrial average was 0.22 lower at 1,318.10. Page 28

EUROPEAN Monetary System: Most currencies showed little change on the week as the dollar recovered from Thursday's one year low to finish the week virtually unchanged. The Belgian franc remained the weakest member but showed a much steeper trend. In recent weeks it has attracted some central bank support while Belgian interest rates have risen. The Italian lira was again the strongest member, followed by the Irish punt.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the monetary currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2 1/2 per cent. The lower chart gives each currency's divergence from the 'central rate' against the European Currency Unit (ECU), itself a basket of European currencies.

GOLD: In New York the Comex October settlement was \$338.5 (\$338.4).

AEG, West German electricals concern, resumed virtually full ownership of Olympia, its office equipment subsidiary, after three years of holding a 51 per cent stake. Page 12

HENKEL, the family-owned West German chemicals concern which invented Peral washing powder, plans a public share issue in October - the first in its 100 year history. Page 15

PANTYK PRIDE, the Florida-based supermarket group, intends to sell 'substantially all' of the assets of Revlon, except for the company's beauty group, if it succeeds in its \$1.9bn bid for the group. Page 13

SINCLAIR RESOURCES, the UK computer company, reached agreement with its bankers and main trade creditors in a move to resolve its financial crisis. Page 4

SUPERFOS, the Danish chemicals group, said that 1985 earnings will fall by about Dkr 100m to Dkr 175m (£17.5m), as a result of a weak market for fertilisers produced by Royston, the U.S. fertiliser group acquired by Superfos last year. Page 15

BOUYGUES, France's largest construction group, and M Bernard Tapie, the French businessman, confirmed that they are to join forces in a new company aimed at increasing the French share in the international consumer battery market. Page 15

Brazilian Finance Minister, central bank chief resign

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE five-month-old Government of Brazilian President Jose Sarney was plunged into disarray yesterday following the shock resignations of Sr Francisco Dornelles, the Finance Minister, and Sr Antonio Carlos Lemgruber, governor of the central bank.

The departure of the two key Brazilian officials dealing with the country's \$103bn external debt and International Monetary Fund (IMF) negotiations is likely to mark an setback on a road already strewn with obstacles. But it should, at least, lead to greater internal harmony within a government deeply divided from the outset over economic policy.

President Jose Sarney promptly accepted the resignation offered yesterday morning by Sr Dornelles - nominally the head of the economic team - who had been visibly unhappy for some time over the lack of economic austerity being pursued by the new civilian Government and his own corresponding loss of influence.

There was no immediate confirmation, however, as to whether the president would also accept the mass resignation proffered by the board of the central bank, headed by Sr Lemgruber, in solidarity with the Finance Minister.

Yugoslavia's main creditor banks were preparing yesterday to endorse a new formal offer to reschedule \$3.5bn in debt, falling due between now and the end of 1985, following a compromise between bank creditors on the price to be charged to Yugoslavia for its rescheduling which was agreed in principle in London earlier this month. Page 2.

A successor to Sr Dornelles was expected to be announced last night. Speculation in government circles centred on the names of Sr Carlos Rischbieter, a former Finance Minister who resigned 10 days ago as head of the Brazilian Coffee Institute, and on Sr Dilon Fumero, the well-regarded head of the BNDES, the state development bank.

Sr Dornelles's resignation follows the abrupt dismissal last Friday by President Sarney of Sr Sebastiao Marcos Vital, the Finance Ministry Secretary-General and a close personal aide of the minister. That dismissal, in turn, resulted from Sr Vital's outspoken criticism of the prevailing direction of Government economic policy.

The dissent within the Govern-

ment - setting the conservative, monetarist views of the Finance Ministry and central bank against the more socially oriented Planning Ministry - has been brewing for months. In this struggle for the President's ear, the conservatives' influence has been waning steadily.

"Whoever takes over as Finance Minister will in future have to be compatible with the Planning Minister and Luis Paulo Rosenberg (the President's chief economic aide)," one banker commented yesterday, to which a presidential aide added: "At least you know which inclination you need because Jose Sayad (the Planning Minister) has definitely won."

The disputes, usually in public, have ranged over everything from the emergency programme of economic assistance to Brazil's poor announced soon after the Government took office - a move supported by the Planning Ministry but opposed by Finance - to the need for "new money" loans from foreign bank creditors, a proposal advocated by Sr Sayad.

While Sr Dornelles and Sr Lemgruber were anxious to tie up the

Continued on Page 12
Debt warning lights flash again, Page 10

Rainbow bomb report clears French agents

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government and intelligence services were yesterday cleared of responsibility for the blowing up in New Zealand of the Greenpeace vessel, the Rainbow Warrior, in an official report commissioned by President Francois Mitterrand.

But the report, prepared by M Bernard Tricot, a former Secretary-General at the Elysee under General de Gaulle, confirmed that the French couple currently under arrest in New Zealand on charges relating to the sinking of the ship and the death of a Portuguese photographer on board are members of the French foreign intelligence services, the DGSE.

It revealed, for the first time, the identity of the three crew members of the Onica, the yacht berthed

close to the Rainbow Warrior shortly before it was sunk by magnet mines. They are all members of the DGSE marine school in Corsica which provides training for commando operations and are currently being sought by the New Zealand police under an international arrest warrant.

All three, who have apparently been in hiding in France, gave themselves up yesterday to the French police authorities at the suggestion of M Tricot. A French magistrate released them, however, as French citizens cannot be extradited.

M Tricot said in his report that although the evidence that they had been responsible for the attack was "not negligible," other considerations "weighed in favour of their

innocence." The report named the men as Chief Petty Officer Roland Verge, Petty Officer Andries and Petty Officer Bartole.

The French Communist Party condemned the report as a "whitewash." Greenpeace was much more guarded in its comments, but Mr Steve Sawyer, the international director, said that "if it is a whitewash we will be moving ahead very quickly."

From President Mitterrand's point of view, the report is an immense relief in that it removes the need for taking punitive action against either M Charles Hernu, the Minister of Defence, or against the foreign intelligence services. M Mitterrand had promised severe ac-

Continued on Page 12

Pickens in Mesa asset move

BY WILLIAM HALL IN NEW YORK

MR T. Boone Pickens, the Texas oil man and corporate raider, is reorganising his master company, Mesa Petroleum, into a limited partnership.

Mr T. Boone Pickens, president of Mesa Petroleum and a self-proclaimed champion of shareholder rights, said yesterday that "the current operating environment for oil and gas companies demands new and innovative measures to maximise values for shareholders."

He noted that the transfer of assets to the limited partnership will provide Mesa shareholders with a more direct economic interest in Mesa's primary assets - its oil and gas reserves.

A big advantage of the limited partnership is that it avoids the double taxation of income, first at the company level and then at the shareholder level. The cash flow from the partnership will not be taxed at the corporate level and will mean that Mesa shareholders should be assured of a substantially higher cash flow than they get from Mesa's current 20 cents-per-share annual dividend.

Mr Pickens also noted that the limited partnership structure "provides substantial flexibility to the partners or to increase exploration activity when industry conditions improve."

Under the plan, substantially all

of Mesa Petroleum's oil and gas properties would be transferred to a new limited partnership, Mesa Limited Partnership, and the new entity would assume certain indebtedness and obligations of Mesa Petroleum. On Wall Street, Mesa shares jumped by \$1 1/2 to \$18 1/2 in early trading yesterday.

Mr Pickens will be the general partner of the partnership, but Wall Street analysts speculated that he would probably devote an increasing amount of time to non-Mesa deals on his own rather than under the umbrella of Mesa Petroleum. They noted that many of Wall Street's corporate raiders, such as Mr Carl Icahn, Mr Irwin Jacobs and Mr Ivan Boesky, conducted their business through privately-held companies.

Under the plan, Mesa intends to make the first of two distributions of units to stockholders in December after which both Mesa units and shares will trade independently. Mesa says that its 14.8m Unocal shares, which it acquired during its abortive takeover bid for the big West Coast oil company earlier this year, and certain other financial assets would be retained by the company and sold over a period of not less than a year.

Net proceeds would be used to buy newly issued units of Mesa Limited Partnership.

Under the plan, Mesa intends to make the first of two distributions of units to stockholders in December after which both Mesa units and shares will trade independently. Mesa says that its 14.8m Unocal shares, which it acquired during its abortive takeover bid for the big West Coast oil company earlier this year, and certain other financial assets would be retained by the company and sold over a period of not less than a year.

Net proceeds would be used to buy newly issued units of Mesa Limited Partnership.

Under the plan, Mesa intends to make the first of two distributions of units to stockholders in December after which both Mesa units and shares will trade independently. Mesa says that its 14.8m Unocal shares, which it acquired during its abortive takeover bid for the big West Coast oil company earlier this year, and certain other financial assets would be retained by the company and sold over a period of not less than a year.

Net proceeds would be used to buy newly issued units of Mesa Limited Partnership.

Black miners' strike looms in S. Africa

BY MICHAEL HOLMAN AND JIM JONES IN JOHANNESBURG

SOUTH AFRICA appeared to be heading yesterday for a major strike by black miners on the country's gold and coal mines, while political tension rose further with the arrest of the eldest son of Bishop Desmond Tutu, the Anglican Bishop of Johannesburg, and at least 27 leading anti-apartheid activists over the weekend.

The combination of a strike threat, the arrests, an illegal protest march due to take place in Cape Town tomorrow, and the funerals this weekend of 19 victims of political violence present the Government with its most testing period since the state of emergency was imposed on July 20.

The arrest of Mr Trevor Tutu followed an incident in a Soweto magistrate's court where hundreds of young black schoolchildren faced charges of illegally boycotting their classes. In the course of proceedings, Mr Tutu is said to have described the prosecution of the students as "a shame" and "a joke."

He was escorted out by a policeman with whom a further exchange took place. Mr Tutu was then arrested and subsequently detained for 14 days under the country's emergency regulations, his lawyer said last night.

Officials of the National Union of Mineworkers (NUM), which represents 150,000 of the country's 550,000 black gold and coal miners,

said yesterday that a majority of its members appeared to have rejected last week's fresh pay offer by mining companies and would opt for strike action, due to begin on Sunday. The NUM is expected to give its formal response to the companies tomorrow morning.

Last Thursday, the companies represented by the Chamber of Mines dropped their united front and offered what amounted to bilateral deals with the union, led by Anglo American whose new terms came significantly closer to the union's demand for a 22 per cent increase. But another leading mining house, Gencor, refused to shift from the 14.1 - 18.0 per cent wage increases which all the mining companies implemented in July.

Union officials described the development as an attempt to divide the union, which is strongest on Anglo American mines. The company reported yesterday that police were investigating an explosion on its Western Holdings mine near Welkom. Nobody was injured.

The threatened strike could undo recent government moves to restore confidence in the South African economy and heighten investors' unease which even before the political turmoil of the past few weeks has led to a substantial net outflow of capital. The 1985 annual

Continued on Page 12

European Exchange plans new options

BY ALEXANDER NICOLL IN LONDON

THE EUROPEAN Options Exchange, based in Amsterdam, plans two innovative currency contracts that will heighten the intense competition between exchange catering to the rapidly growing options market.

Pending approval by the Dutch Ministry of Finance, the EOE aims to introduce next month a large-scale £100,000 sterling/dollar option that will be totally interchangeable with an identical contract already traded on the Montreal Exchange.

It is almost certain to be the first currency option that is "fungible" - meaning that an option bought on one exchange may be sold the same day on the other, and marking a step towards 24-hour, round-the-world trading. The London Stock Exchange and the Philadelphia Stock Exchange, which lead the world in traded currency options,

also hope to make their £12,500 options interchangeable in the autumn.

The EOE's other new contract, scheduled for introduction in October or November, will be the first from any exchange to respond to demand from market participants for cross-rate options - between two currencies other than the dollar. It will be between sterling and the guilder.

Currency options have burst into the financial markets over the past three years, offering banks and companies far more flexibility than was previously available to manage their exposure to exchange rate fluctuations. An option provides the buyer with the right, but not the obligation, to trade a specific amount of currency at a fixed price at any time before expiry.

More spy suspects as scandal widens in Bonn

By Peter Bruce in Bonn

WEST GERMAN intelligence authorities were reported yesterday to have opened about a dozen more espionage investigations against government officials. Bonn The report comes in the wake of the defection to East Germany last week of Herr Hans Joachim Tiedge, the country's most important spy hunter, and the arrest on Sunday of Frau Margarete Hoeke, a senior secretary in the Office of the Federal President.

The national newspaper, Bild, which has been consistently accurate in its reporting in the past three weeks of what is clearly Bonn's most serious intelligence setback since the second world war, said in a release of an article due to appear today that most of the new investigations involved female secretaries, including one in the office of Chancellor Helmut Kohl.

News of the report coincided yesterday with an unexpectedly ferocious attack on the Government - for its handling of the country's security services - by the opposition Social Democrats. The SPD has called for the resignation of Herr Friedrich Zimmermann, the Interior Minister.

Herr Kohl was briefed by Herr Zimmermann for the first time yesterday on the possible effects of the spy scandal, but government spokesmen said he planned to take no action against individuals until receiving a second report later this week.

The Government said yesterday it was still trying to get in touch with Herr Tiedge, the senior counter-intelligence executive in an effort to discover whether he had fled to East Berlin in a fit of worry over mounting debt problems at home or whether he had been a long-term Communist agent.

The Government's chief spokesman, Herr Friedhelm Ott, refused to comment on the success of these efforts, saying only: "We remain in contact with East Germany." These contacts are probably being made through Herr Wolfgang Vogel, an East German lawyer, who has assisted in some well-publicised "spy swaps" between the two Germanys.

Officials in Bonn are clinging to increasingly faint hopes that Herr Tiedge had only recently decided to defect. He has debts in Bonn of more than DM 100,000 (\$36,400) and a serious drinking problem which was first put down to the death of his wife, Ute, in 1982. Police in Cologne, nevertheless, said yesterday they had reopened their dossier on her death in case she had died in suspicious circumstances.

Continued on Page 12

USM for you? -act now Get in Touche

More than 400 millionaires created so far on the USM. Almost every week you can read about yet another businessman becoming a millionaire by launching his company on The Unlisted Securities Market. It all seems so easy - but it isn't! And you need to start planning several years ahead.

What regulations do you have to comply with? How will you find the right broker or Merchant Bank to sponsor your issue? When should you seek a quotation? Will you go for an Offer for Sale or a Placement? What will be your personal tax position? What percentage of your shares should you offer? And at what price?

The answer to all these, of course, is to get specialist advice - now. Advice from someone who not only knows the

USM inside out, but, more importantly, who thinks as a businessman. Someone who understands your position and talks your language. Someone, in fact, like us.

Since the establishment of the USM five years ago, we have specialised in advising a great many people in precisely your situation. We've been closely involved with numerous successful flotations. We are acknowledged as one of the most experienced firms of Chartered Accountants in the field. We can help you.

As a first step, get a free copy of our updated booklet 'The Unlisted Securities Market - an Opportunity for Growing Companies'. It will tell you a lot about the USM, and a little about ourselves.

Call Tony Herron on 01-353 8011, or just return the coupon.

Touche Ross & Co.
The Business Partners
Hill House, 1 Little New Street, London EC4A 3TR.

To: Tony Herron, Financial Services Group, Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.
Please send me a free copy of your guide to the USM.

Name: _____
Position: _____
Company: _____
Address: _____
Tel. No. _____

CONTENTS

| | |
|-------------------------|--------|
| International Companies | 13, 15 |
| World Trade | 3 |
| Britain Companies | 4, 5 |
| Appointments | 19 |
| Arts - Reviews | 8 |
| World Guide | 18 |
| Construction | 19 |
| Crossword | 24 |
| Corrections | 24 |
| Editorial comment | 10 |
| Europeans | 13, 14 |
| Euro-options | 24 |
| Financial Futures | 24 |
| Int. Capital Markets | 15-16 |
| Letters | 12 |
| Lombard | 11 |
| Management | 8 |
| Men and Markets | 24 |
| Money Markets | 24 |
| Stock markets - Boursee | 25, 26 |
| Wall St | 25-26 |
| Technology | 17 |
| Unit Trusts | 18-21 |
| Weather | 12 |

| | |
|--|----|
| UK spending: Treasury sets rules for survey | 4 |
| Management: how Japan supports small business | 6 |
| Editorial comment: British banks; nuclear controls | 10 |
| International debt: warning lights flash again | 10 |

| | |
|--|----|
| Commodities: computers and cartels; scandals | 11 |
| Lombard: the real fear in the way of the EMS | 11 |
| Lex: when trust is not enough | 12 |
| Technology: cleaning up the shampoo business | 17 |

OVERSEAS NEWS

DEFENCE OFFICIALS FAVOUR PROJECT

Spanish likely to join Euro-fighter

BY OUR MADRID CORRESPONDENT

SR NARCIS SERRA, the Spanish Defence Minister, is expected to recommend joining the European Fighter Aircraft project at a Cabinet meeting tomorrow.

A decision by Spain to take part with Britain, West Germany and Italy even if France stays outside the venture, has been widely anticipated. However, while Spanish defence officials appear to lean strongly towards participating on both military and industrial grounds, the issue hangs on a political verdict.

The Spanish Government, which along with France withheld its signature from the other countries' agreement on the project in Turin four weeks ago, has already stretched the original August 17 deadline for a decision.

The political factors are, on the one hand, Spain's desire to be associated with its future EEC partners in a large industrial and defence venture, and on the other, its recent entente with France, sealed during a visit to Paris in July by King Juan Carlos.

Contacts between all the countries involved are understood to have been maintained at the highest level. Mrs Margaret Thatcher is believed to have sent a message to Sr Felipe Gonzalez, the Spanish Prime Minister, urging Spanish participation.

If Spain joined without France it would take a 13 per cent share, as against the 10 per cent foreseen in the original five-nation proposal.

In the split over the type of aircraft to be developed, Spain stands between the concept agreed in Turin—a large, high-powered fighter designed principally for air superiority—and the French idea of a smaller, cheaper fighter mainly for ground attack.

While prepared to go along with the Anglo-German-Italian version, Spanish defence officials might have preferred an aircraft of reduced specifications for their own defence needs. Spain, mainly concerned with its southern flank, is seen as requiring a multi-role aircraft adapted to air combat at both supersonic and subsonic speeds and to ground attack.

Mr Charles Heron, the French Defence Minister, is believed to have raised the prospect of Spanish participation in a separate French project during a meeting with Sr Serra in Majorca earlier this month.

The third choice for Spain would be to buy more aircraft from the U.S. following its 1983 contract for F/A-18 Hornets.

This course, like the others, would bring offsets for the Spanish state-owned airframe company Casa, but would mean forgoing the European accord which the Government is seeking in its defence policy.

Some ND figures, such as Mr Ioannis Verviotis, the party's secretary, were widely expected to be considering running.

Mr Mitsotakis needs a majority of 61 of ND's 121 deputies to carry Thursday's vote. His resignation caught party officials by surprise, but a leadership crisis has been brewing in ND since June, when the Conservatives suffered their second humiliating election defeat in a row at the hands of the Socialists.

ND first lost power to the Socialists in 1981. Mr Mitsotakis was elected in four years in 1984 amid hopes that he would reverse its political fortunes.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

Greek opposition faces split

BY ANDRIANA ERODIACONOU IN ATHENS

MR KONSTANTINOS Mitsotakis, the beleaguered Greek Conservative opposition leader, was rallying his forces yesterday to face a vote of confidence on Thursday, amid speculation of a minority split in the Conservative Party ranks.

Mr Mitsotakis resigned as president of the New Democracy (ND) party last Saturday, announcing that he would resubmit his candidacy in a vote for a leader by the 121-strong conservative parliamentary group on Thursday.

Mr Mitsotakis resigned after an open challenge by Mr Costis Stephanopoulos, ND parliamentary spokesman, to his decision to hold a party conference in the autumn. The

two men were rivals for the party leadership in September 1984 when Mr Mitsotakis won a narrow victory.

The ND leader's resignation was seen as a tactical move to outmanoeuvre Mr Stephanopoulos by not giving him time to muster enough party support for a successful second shot at the leadership.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

It was unclear yesterday whether Mr Mitsotakis will face any other rivals on Thursday.

Mr Stephanopoulos announced on Sunday that he would not stand for re-election in Thursday's general election. He was widely reported yesterday to be considering the odds in favour of forming a splinter party, taking sympathisers with him.

Dutch to trim budget deficit

BY LAURA RAUN IN AMSTERDAM

THE DUTCH Cabinet has agreed to trim the government budget deficit only slightly next year, when general elections will be held, with the 1986 budget gap falling fractionally below 8 per cent of net national income (NNI).

However, Mr Ruud Lubbers, the Prime Minister, sought to emphasise that the purchasing power of all income groups except for the lowest would climb next year because of smaller social-security premiums and falling inflation.

Mr Lubbers is at special pains to cast a good light on the proposed budget, since the Cabinet decided to lower income taxes as might have been expected in an election year.

The preliminary outlines of the 1986 fiscal blueprint were fashioned late last week and Mr H. Onno Ruding, the Finance Minister, now will add the finishing touches for presentation to parliament on September 17.

The ruling Centre-Right Government apparently will fail to reach the goal stated in its 1982 accord of shrinking the budget deficit to 7.1 per cent of NNI by 1986, but few observers are surprised.

Mr Lubbers and other ministers argue that the Dutch have absorbed about as much austerity as they can handle.

Incomes in both the private and public sectors have stagnated under the deep retrenchment policies of the governing Christian Democrat-Liberal coalition. The Cabinet clearly

wants to convince voters—before the May 1986 elections—that their "painful" sacrifices of the past were worth while and that brighter days are ahead.

While official consumer spending has grown only sluggishly, shops remain crowded with the latest consumer goods and streets crowded with new cars while foreign vacations are still popular.

The lavish Dutch social security system is believed to account for the apparent discrepancy but further big benefit cuts are felt to be politically impossible.

Thus, civil-servant wages and social-security benefits will be frozen at current levels while unemployment compensation actually will be somewhat

reduced. The Government admitted last week: "Only in the longer term, as depreciation increases net exports of goods and services, will the current account deficit narrow, and the build-up of external debt moderate."

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

Ugandan leaders meet with main guerrilla group

BY OUR FOREIGN DESK

UGANDA'S military rulers and the leading guerrilla group, the National Resistance Army, met in Nairobi yesterday for peace talks following the sacking on Sunday of the country's Prime Minister, Mr Paolo Muwanga.

Diplomats said the prospects for success in the talks, which brought together a government delegation headed by Mr Wilson Tobo, Defence Minister, and vice-chairman of Uganda's ruling military council, and Mr Yoweri Museveni, the leader of the NRA, had been improved by the replacement of Mr Muwanga.

The NRA is known to have opposed the appointment of Mr Muwanga, who has served in every administration since independence and was the deputy of ousted President Milton Obote.

As Defence Minister under Dr Obote he is regarded as sharing responsibility for atrocities committed by the Uganda Army against civilians during Dr Obote's rule.

Former Finance Minister Mr Abraham Waligwa was sworn in yesterday as the new Prime Minister.

The NRA, which does not recognise the military administration of Lt-Col Tito Okello which took power in a July 27 coup, has recently extended its hold over western Uganda.

China is planning to grant residence rights to foreigners who invest in China, the New China News Agency reported yesterday. Reuter reports from Peking.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

The official agency said a law on the entry, exit and residence of foreigners in China was submitted to the Standing Committee of the National People's Congress yesterday.

Australia 'does not need help from IMF'

By Michael Thompson-Noel in Sydney

Mr Paul Keating, the Australian Treasurer (Finance Minister), yesterday dismissed a suggestion that Australia might have to turn to the International Monetary Fund for help because of ballooning external debt.

Yet he conceded that Australia might "end up in trouble" if it failed to revitalise its trading performance.

Mr Keating was responding to remarks by Prof Fred Gruen, head of the Centre for Economic Policy Research at the Australian National University, Canberra, and promoter of a Hawke and Whitlam Labor governments.

Mr Gruen had expressed concern at budget figures published last week showing whether the Government's debt—public and private debt—less official reserves and Australian lending abroad—grew from A\$7.3bn at June, 1980, to A\$32.3bn (€25bn) at June, 1984.

As a result, Australia's external debt servicing obligations as a proportion of exports soared from 8.3 per cent in 1979-80 to 35.6 per cent in 1984-85.

Prof Gruen said that given the marked deterioration in Australia's terms of trade and the poor prospects for world trade, the Government should consider ways to reduce money wage growth.

Otherwise the longer term danger of continuing devaluation—and perhaps ultimately some form of monetary union—would be a real possibility.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

The Government and the trades unions are on a possible collision course over whether a supervision of our affairs—is by no means unthinkable.

R-R could lose \$40m Malaysia air-engine order

BY CHRIS SHERWELL AND WONG SULONG IN KUALA LUMPUR

ROLLS-ROYCE of the UK, the smallest of the world's "big three" aircraft engine manufacturers, is in danger of losing an important order from Malaysia Airline System (MAS), the Malaysian flag-carrier, to Pratt & Whitney, one of its main competitors.

A decision against Rolls-Royce on the \$40m (£28.5m) engine deal, which is for a Boeing 747-300 jet due to be delivered in June next year, would be contrary to the terms of an order placed by MAS two months ago. But the Malaysian Cabinet unexpectedly refused to ratify the contract, and as a result much of Rolls-Royce's future business with a long-valued customer is at stake.

MAS needs the aircraft for two new weekly flights to the U.S. West Coast and for a fifth weekly flight to London.

But because the airline has rights for daily flights into the U.S. and has applied for daily services to Britain — which means further aircraft will be needed — the Malaysian Government has ordered a review of MAS's whole purchasing strategy, by the Treasury, headed by Mr. Daim Zainuddin, Finance Minister.

For Rolls-Royce, a lost order could further reduce its standing as a world supplier for Boeing 747 engines.

The company is said to have about 6 per cent of the world market — only half a dozen air-

lines use its engines on their 747s—whereas Pratt & Whitney has an estimated 70 per cent, and General Electric 20 per cent.

MAS currently uses Rolls-Royce engines on its two existing Boeing 747-200 aircraft, and General Electric engines on its A-300 Airbus and McDonnell-Douglas DC-10s.

The airline originally committed itself to a total of four 747 engine purchases from Rolls-Royce but is thought to have been relieved of its obligation over the fourth. Final decision on the third purchase is imminent.

General Electric is thought not to be a contender, despite its credentials. This in itself is surprising, since a decision in favour of a third engine-type, from Pratt & Whitney, would stretch a small airline like MAS.

Rolls-Royce has meanwhile been allowed to re-bid for both this and future engine orders on the assumption that more aircraft will be bought.

Responsibility for Malaysia's decision now lies with the Finance Minister. An order from Pratt & Whitney is bound to disappoint those in Whitehall who hoped the concession made to MAS on the fifth UK flight would help secure engine orders for Rolls-Royce.

Details of the fifth flight were finally sealed three weeks ago.

Row brews over Intelsat expansion plans

BY NANCY DUNNE IN WASHINGTON

INTELSAT, the multinational telecommunications co-operative, will next month consider controversial proposals to expand domestic service operations.

Under consideration is the sale of unused transponders which receive and transmit satellite signals and the extension of non-cancellable or non-pre-emptible leases to individual member governments.

Intelsat, the primary function of which is to provide international telecommunications services, provides domestic services only on a pre-emptible basis through 38 leases to 27 countries.

The new proposals come at a time when the co-operative is fighting the Reagan Administration's insistence on private competition in international telecommunications.

Officials are particularly worried about competition along the lucrative Atlantic ocean route, which they fear will cut deeply into profits and raise the cost of services to Third World countries.

The board is reported to be considering a proposal to declare 160 transponders on satellites in every ocean region as "surplus capacity."

According to Mr. Fred Landman, president of Pan American

Satellite, which plans to launch a competitive satellite next year, Intelsat officials are planning to charge \$3m (£2m) for each transponder, a price he describes as "dumping."

Pan American will offer international business services between the U.S. and Latin America. It has also planned to increase its business by offering domestic services. Mr. Landman claims that Intelsat's move is designed to keep private competition out of the market.

Pan American's attorneys have written to the U.S. State and Commerce Departments and the Federal Communications Commission (FCC) to demand that Comsat, the U.S. represen-

tative to Intelsat, be instructed to oppose all domestic service proposals or, at least, defer them until they can be analysed.

Intelsat should be required to provide cost data justifying the proposed rates of all leases and sales according to FCC pricing rules, the attorneys said.

In their letters, the attorneys accuse Intelsat of having "chronically over-invested in space segment facilities."

It is important to note that while the director-general wishes to declare certain capacity 'surplus' there is no concomitant plan to delay or postpone any of the Intelsat V's awaiting launch—nor any plan to delay procurement and

construction of the Intelsat VI series," they say.

A spokesman for Intelsat said procurement decisions for the Intelsat V and VI satellites were made years ago. Some of the newer satellites have extra modifications more applicable to the new business services which Intelsat has introduced during the past year.

He pointed out that as long ago as 1982, member-governments formally concluded, concerning domestic service that "... emphasis needs to be given to approaches by which those services can be provided on a planned, non-pre-emptible basis, integrated into the framework of the Intelsat system..."

Japanese 'stepping up' vehicle part export

By Kenneth Gooding Motor Industry Correspondent, in Detroit

JAPAN'S motor industry was rapidly building up exports of automotive components. Dr. Carl Hahn, chairman of Volkswagen, the West German group, said yesterday.

He gave a warning to the Japanese that, while their achievement was impressive, they should realise the world automotive system would only continue to work successfully if trade were a two-way proposition.

It will not work for ever if trade flows in only one direction. Continuous growth in a one-way flow could create an imbalance to the detriment of other automotive nations and finally to Japan itself.

Dr. Hahn, making the keynote speech at the Automotive News world congress in Detroit, said that not much attention was paid publicly to Japanese production of commercial vehicles. Yet, in the first six months of 1985, as well as selling 1m cars in the U.S., the Japanese had also sold 400,000 small pick-up trucks primarily used as passenger cars.

Only 14 per cent of the pickups were made in the U.S.—at Nissan's factory in Tennessee. The marketing organisation was now being put into place to bring medium-sized trucks to the U.S. from Japan.

Dr. Hahn suggested that little was heard of Japan's trade in vehicle kits and components. The role of the Japanese manufacturers as component suppliers was enormous—and was growing very quickly.

These silent elements of the Japanese industry... should be of extreme interest to competitors. What today are hundreds of thousands of dollars in the current trend continues, he millions in the foreseeable future.

Dr. Hahn said later VW could only estimate the volume of components the Japanese were supplying to western companies.

● VW-Audi intends to produce and sell 2.4m vehicles worldwide in 1985, said Dr. Hahn, up nearly 12 per cent from last year's 2.15m.

● Mr. Noel Phillips, chairman of VW of North America, said his company expected to sell 300,000 cars in the U.S. in 1985, including 70,000-90,000 Audi models. Last year, VW-Audi sold 249,000 cars in the U.S.

Dole hints at textile exemption for HK

BY DAVID DODWELL IN HONG KONG

HONG KONG has a chance—albeit a slim one—of being exempted from the effects of the controversial and protectionist Jenkins Bill which if passed in the U.S. would force Asian textile and garment manufacturers to cut exports to the U.S. to 1983 levels.

Senator Robert Dole, the Republican majority leader of the U.S. Senate, provided a glimmer of hope when he said in Hong Kong at the weekend that the Territory's open market policy justified it receiving "special consideration" when the Jenkins Bill goes before Senate later this autumn.

Senator Dole, heading a seven-member congressional mission, was on his way to Peking after visits to Japan, Korea and Taiwan explaining the background to protectionist pressures in the U.S., and calling for a lowering of tariff walls in these Asian economies.

The Jenkins Bill, drafted by Mr. Ed Jenkins, a Georgia democrat, has been fiercely criticised by garment-exporting countries in Asia.

If implemented, it would have a serious impact on several economies, prominently China, where textile and garment exports would be cut by 65 per cent, and Indonesia, which would suffer an 85 per cent cut.

Hong Kong has suffered a serious blow to its textile and garment industry as a result of U.S. "country of origin" laws, introduced unilaterally in August last year.

Local knitwear manufacturers claim the changes will cost them \$32.3bn (£27.5m) a year in lost orders. The Jenkins Bill will further aggravate the sector's problems.

Hong Kong officials in New York have been lobbying hard in the U.S. against the bill, attacking both its logic and the fact that it exempts Canadian and European exporters.

Senator Dole said at the weekend that the Jenkins Bill would be "without exceptions or exemptions." He admitted having been unaware of the omission of Canada and the EEC from the effects of the Bill, but said he would expect an amendment making it equally applicable to all exporters.

He added that Hong Kong might win exemption because it practised free trade. While the U.S. had a trade deficit with Hong Kong in 1984 of \$5.6bn (\$4bn), he noted that Hong Kong bought 3.5 times as much from the U.S. per capita as Taiwan, Korea or Japan.

Sen. Dole then travelled on to Peking where he expects to meet a wide range of Chinese officials.

serious blow to its textile and garment industry as a result of U.S. "country of origin" laws, introduced unilaterally in August last year.

Local knitwear manufacturers claim the changes will cost them \$32.3bn (£27.5m) a year in lost orders. The Jenkins Bill will further aggravate the sector's problems.

Hong Kong officials in New York have been lobbying hard in the U.S. against the bill, attacking both its logic and the fact that it exempts Canadian and European exporters.

Senator Dole said at the weekend that the Jenkins Bill would be "without exceptions

China set to boost woollen clothes output

BY ROBERT THOMSON IN PEKING

THE PROSPECT of a big increase in output of woollen clothes in China has emerged, following the signing of an agreement in Peking between the Chinese Government and the International Wool Secretariat (IWS).

China is to be provided with market research information and given assistance in improving the finished product. Both these areas are in need of development, according to Dr John McPhee, managing director of the IWS, after the signing.

"The level of design and finish expertise has been quite poor. From the technical point of view, the quality of products is very good. But there has been very little market work done," he said.

The IWS intention is to help China make its wool products more marketable overseas. If that policy is successful, and Chinese exports rise, the Secretariat expects China will buy more Australian and New Zealand wool.

Australia's Trade Minister, Mr. John Dawkins, is in Peking this week for talks on wool with the Ministry of Textile Industry.

It is expected the two countries will sign another wool-industry co-operation agreement which would supplement the work being done by IWS and lead to higher sales of Australia's wool.

Unlike many Japanese industrialists who are hesitant to export expertise and technology to China for fear of their own industries eventually being outperformed by Chinese industries, Dr McPhee thinks Australia and New Zealand have nothing to lose in helping improve the Chinese wool industry.

"Australia and New Zealand supply about 80 per cent of the world's wool. It is better for them to have good-quality wool products on the world market, which is what this agreement will bring about. It is bad for wool's reputation to have poor-quality products made."

Mr. Dawkins, who considers "The development of the trade relationship with China to be my single most important job," began talks in Peking yesterday with Chinese officials.

Wool is expected to be the highlight of Mr. Dawkins' visit, and he will also have talks with the Ministry of Metallurgical Industry, which could lead to a non-ferrous metals agreement. The wool trade has grown substantially in the past year, with Australian exports worth A\$132.6m (£68m) in the 11 months to May of the last financial year, up from A\$80.9m in the preceding financial year.

Sustained growth of Australian exports to China has also meant a growing problem with a hefty surplus of trade in Australia's favour.

SHIPPING REPORT

Tanker market starts to feel more hopeful

By Our Shipping Correspondent

VERY CAUTIOUSLY, the tanker market is starting to feel more optimistic about charter rates. Though levels were little improved over the week, inquiries from most loading areas have been picking up.

In view of the rates seen recently—described as "degenerate" by one broker—it is enough that for the second week running the fall seems to have been arrested.

The Middle East Gulf market has seen shortages of better-class tonnage, and the number of fixtures has been on the increase. Mediterranean business is reported to be considerably more active and trade out of West Africa is described as maintaining its previous momentum.

The troubles at Sanko Steamship, the Japanese shipping group, are still a talking-point, but although a few vessels have been arrested in the U.S. and South Africa, it would appear that Sanko tonnage continues to trade.

Indeed, one broker speculates that in a couple of years "we may be able to look back and see that the Sanko case signalled the bottom—if not the end—of the slump."

Inevitably, though, Sanko is throwing a shadow over sale prices. Uncertainty over what will happen to the Sanko tonnage has meant that bulk-carrier sales have been conspicuous by their absence, and the outlook is seen as depressing.

Japanese 'stepping up' vehicle part export

part export

By Kenneth Gooding Motor Industry Correspondent, in Detroit

JAPAN'S motor industry was rapidly building up exports of automotive components. Dr. Carl Hahn, chairman of Volkswagen, the West German group, said yesterday.

He gave a warning to the Japanese that, while their achievement was impressive, they should realise the world automotive system would only continue to work successfully if trade were a two-way proposition.

It will not work for ever if trade flows in only one direction. Continuous growth in a one-way flow could create an imbalance to the detriment of other automotive nations and finally to Japan itself.

Dr. Hahn, making the keynote speech at the Automotive News world congress in Detroit, said that not much attention was paid publicly to Japanese production of commercial vehicles. Yet, in the first six months of 1985, as well as selling 1m cars in the U.S., the Japanese had also sold 400,000 small pick-up trucks primarily used as passenger cars.

Only 14 per cent of the pickups were made in the U.S.—at Nissan's factory in Tennessee. The marketing organisation was now being put into place to bring medium-sized trucks to the U.S. from Japan.

Dr. Hahn suggested that little was heard of Japan's trade in vehicle kits and components. The role of the Japanese manufacturers as component suppliers was enormous—and was growing very quickly.

These silent elements of the Japanese industry... should be of extreme interest to competitors. What today are hundreds of thousands of dollars in the current trend continues, he millions in the foreseeable future.

Dr. Hahn said later VW could only estimate the volume of components the Japanese were supplying to western companies.

● VW-Audi intends to produce and sell 2.4m vehicles worldwide in 1985, said Dr. Hahn, up nearly 12 per cent from last year's 2.15m.

● Mr. Noel Phillips, chairman of VW of North America, said his company expected to sell 300,000 cars in the U.S. in 1985, including 70,000-90,000 Audi models. Last year, VW-Audi sold 249,000 cars in the U.S.

World Economic Indicators

| | | UNEMPLOYMENT | | | |
|-------------|-------|--------------|----------|---------|----------|
| | | July '85 | June '85 | May '85 | July '84 |
| USA | '000s | 6,451 | 6,413 | 6,413 | 6,491 |
| | % | 7.3 | 7.3 | 7.3 | 7.5 |
| U.K. | '000s | 3,235 | 3,179 | 3,241 | 3,101 |
| | % | 13.4 | 13.1 | 13.4 | 12.8 |
| W. Germany | '000s | 2,168.4 | 2,192.6 | 2,304.6 | 2,112.6 |
| | % | 8.0 | 8.1 | 8.6 | 7.8 |
| France | '000s | 2,223.2 | 2,282.6 | 2,138.3 | 2,147.7 |
| | % | 9.6 | 9.9 | 10.1 | 9.3 |
| Italy | '000s | 2,854.7 | 2,885.5 | 2,932.6 | 2,667.5 |
| | % | 12.6 | 12.8 | 13.0 | 11.8 |
| Netherlands | '000s | 737.9 | 737.9 | 748.1 | 815.9 |
| | % | 13.2 | 13.1 | 13.2 | 14.5 |
| Belgium | '000s | 585.9 | 525.5 | 544.2 | 545.7 |
| | % | 12.1 | 12.8 | 13.2 | 13.2 |
| Japan | '000s | 1,590.0 | 1,570.0 | 1,740.0 | 1,600.0 |
| | % | 2.54 | 2.44 | 2.61 | 2.48 |

Sources: (except U.S., UK Japan): Eurostat

Excellence engineered by Krupp

The Krupp approach to an environmental problem: Clean power generation and nitrogen fertilizer to boot.



power utility in Mannheim, West Germany, easily meeting sulphur-dioxide emission standards.

Unlike conventional scrubbing methods, the Krupp process does not produce any waste water. Air pollution is therefore not reduced at the expense of water pollution. Nor is there any solid waste to dispose of. All that's left over is a high-grade nitrogen fertilizer that can be used straight from the power plant.

Another Krupp contribution to a cleaner environment is the Walther electrostatic precipitator. With a dust collecting efficiency of over 99% it makes coal-fired power plants a lot kinder to the atmosphere.

Over the past 20 years and more Krupp has pioneered environmental technologies that point the way to the future — processes and plant for effluent treatment and noise abatement, for heat recovery and recycling of valuable raw materials.

Creative dialogue is our springboard. Krupp engineers work in close partnership with customers seeking solutions to the problems that touch us all.

We provide the advanced engineering materials, facilities and systems needed for speedy and sustained economic progress.

Krupp. A tradition of progress.

Clean energy + fertilizer = a bright idea from Krupp.

Krupp member company Walther & Cie[®] has developed a process which simultaneously removes sulphur dioxide and nitrogen oxide from power station flue gas. The only by-product is a high-grade nitrogen fertilizer.

Since 1983 this Krupp process has been used for flue gas desulphurization by a major

For more information on Krupp's activities in environmental engineering contact Walther & Cie AG, Waltherstr. 51, D-5000 Köln 80.

 KRUPP

UK NEWS

BR boosted by low response to strike call

BY DAVID BRINDLE, LABOUR STAFF

A POOR RESPONSE to call for a 24-hour strike in a key area of British Rail's Eastern Region yesterday boosted BR's hopes that most railway workers would not support a national dispute over its plans for driver-only train operation, dispensing with guards.

The 11,000 guards were balloted by their union, the National Union of Railwaymen (NUR), on Friday over taking industrial action, including strikes. The result will be announced tomorrow.

Only one in three drivers and guards took strike action yesterday in the Doncaster area in the north of England. BR said it was able to run more than 80 per cent of InterCity services on the East Coast main line to York and Edinburgh, as well as more than 50 per cent of local services.

BR, having earlier feared paralysis of the East Coast line, said last night: "We are heartened by the response of our train crews. We see this as evidence that many of our staff do not want to fight the (British Railways) Board, nor do they want to inconvenience the travelling public."

The boost came at an important time for BR. The NUR ballot is expected to show a majority of guards in favour of industrial action.

A majority of the union's executive committee is behind a policy of step-by-step escalation of the dispute, rather than an immediate all-out strike, and is likely to opt for sanctions and "guerrilla" stoppages of the kind planned in Doncaster yesterday.

Union officials maintained they were not downhearted at response to the strike, called in support of 37 guards dismissed at nearby Immingham, Humberside. Many rail staff, it was said, were "keeping their powder dry" in anticipation of official action.

Mr Bill Collins, NUR branch secretary at Immingham, said the request to the Doncaster area had been for support, not specifically for strike action.

● The two sides in the dispute which has led to suspension of publication of Mirror Group Newspapers titles - including the national daily, The Mirror - seem ready to resume talks this week. About 4,500 employees have been suspended without pay since last Thursday.

Mr Robert Maxwell, MGN's publisher, was said yesterday to be offering talks to the National Graphical Association (NGA), the craft print union, without preconditions. Mr Tony Dubbins, the NGA's general secretary, said he would "most certainly" accept such an invitation.

Pressure on the print union grew yesterday with an announcement by Mr Maxwell that the British Newspaper Printing Corporation (BNPC), a subsidiary of British Printing and Communication Corporation, of which he is chairman, had completed negotiations for purchase of the Thomson-Witby Grove printworks in Manchester.

The printworks is used by MGN for printing northern editions of the Mirror and Sunday Mirror newspapers.

Sinclair and banks reach agreement

By Jason Crisp

SINCEAR Research, the troubled home-computer company, said last night that it now had "a good base" to tackle the important Christmas selling season after reaching an agreement with its bankers, Barclays and Citibank, and its major suppliers Thorn EMI, Timex and AB Electronics.

Details of the package were not disclosed but there is to be no change in the ownership of the company. Sir Clive Sinclair, the founder, remains both chairman and the largest shareholder with 63 per cent of the equity.

The company's problems accelerated a fortnight ago when Mr Robert Maxwell, publisher of Mirror Group Newspapers, called off a £12m rescue bid. The company had been in financial difficulties since the start of the year and had to postpone payments to its main creditors.

After the Maxwell move, Sir Clive said that as a result of an improvement in sales the proposed refinancing was no longer necessary.

Last night Barclays Bank said, on behalf of the signatories to the agreement, "We are delighted to reach an agreement on continuing financial and manufacturing support for Sinclair Research."

"This agreement and a new management team, combined with Sir Clive's undoubted flair, enables us to share the company's hopes for a return to sound and profitable trading."

Mr Bill Jeffrey, chief executive, has rearranged the management team. An announcement on this and on board changes is expected in the near future.

Treasury sets the rules for expenditure survey game

IN the next few weeks an elaborate game of bluff and counter-bluff will begin with the Government's main spending departments as the players and the Treasury as the banker.

The name of the game is the 1986-87 Public Expenditure Survey round. The stake is about £40m of bids by departments for excess spending above the budgets allocated to them. The object is to achieve unanimous agreement in Cabinet by about November 5 that next year's public spending total will be £139bn, the figure set out in the latest budget report.

The Treasury, as usual, will make up some of the rules as it goes along - just to confuse the enemy. Even so, it will need to deploy all its home-trading skills to the utmost. But this year the Treasury is facing a special difficulty: after the humiliation of last February's sterling crisis it dare not allow the City to gain any impression that it is finessing its figures.

This is a real dilemma for Treasury officials because there is always an element of bluff about their spending projections set out in annual White Papers (policy documents). They are partly targets intended to be kept, but partly they represent the Treasury's negotiating position against the hydra of spending demands.

For example, the Treasury never believes its own figures for future local authority spending. And it has not seriously expected that its employees can be kept within the 3 per cent "pay assumption" enshrined in recent spending plans. But it knows, from bitter experience, that it must start off with some unduly tight figures if it wants to achieve a "sensible" result.

This tactic, well known to every used-car salesman, is fine for dealing with some of the more notorious over-spenders. But it will not do at all for the Treasury's total strategy.

Many of the spending numbers will inevitably be rather shady, representing a hotch-potch of wishful thinking, bargaining and genuine uncertainty. But they must all add up to a figure of justly Victorian respectability in the City's eyes. This, at least, is the moral which

Max Wilkinson, Economics Correspondent, examines the background to the Government's main spending departments and the Treasury. Following last February's sterling crisis, he writes, Treasury officials face a special dilemma this year.

ministers have drawn from the February crisis when sterling was plunging towards parity with the dollar and interest rates had to be pushed up by 4½ percentage points to 14 per cent in its defence. At least part of the reason was that the City had lost confidence in the Government's spending numbers, with the Treasury suspected in turn of laxity, underhand reflation and then sheer obscurantism.

The solution announced by Mr Nigel Lawson, Chancellor of the Exchequer, in his March budget, was to increase the public spending total by £2bn a year (about 1½ per cent next year) for the four years up to 1988-89. This was added to the unallocated reserve which now provides a very substantial cushion for overspending by individual departments.

For next year (1986-87), this reserve stands at £6bn - almost as large as the expected public borrowing figure and enough to allow departments to overspend by more than 4 per cent on average without compromising the overall strategy.

This is a large and respectable cushion which the Treasury can use in the coming weeks to absorb at least some of the spending departments' attacks. A rather more dubious buffer is provided by plans to sell assets owned by all of the public to the City. The decision to sell off British Gas means that asset sales next year are likely to be nearer to £3bn than the £2½bn envisaged at the time of the budget.

Because asset sales count as negative public expenditure, this would give the Treasury perhaps a further £1bn or more to set against increased spending bids. It has been

suggested that this would be the equivalent of selling the furniture to pay the bills. More rigorously, it has been objected that because a sale of assets reduces the Government's future income, it should be considered more like raising money by borrowing than as a cut in spending.

The Government must respect this argument if it wants to preserve its credibility in the City, although the markets would probably accept some "cosmetic" reduction in the spending total through asset sales.

The strategic position which ministers will face when they return from their holidays, therefore, is that spending bids by departments have been based down from about £100bn or more in the spring (including some wild try-ons), to a core of about £40bn at the end of August.

This includes a wide range of extra bids, some of them inescapable, which can be traced to three main causes. First, the inflation rate this year has been considerably higher than assumed in the last spending White Paper and about ½ of a percentage point higher than the Treasury was expecting at the time of the budget. This has had the direct result of increasing social security payments by some £700m in a full year, because they are updated in line with inflation. However, other costs will also rise, so that inflation will add more than £1bn to the total spending bill.

Then there are increases in demand that the Government can do little to curb, for example in the family practitioner service and in the take-up of social security entitlements.

Third, there is the continued rise in unemployment which adds to the cost of benefits. It also puts pressure on the revenue side of the government accounts because the unemployed contribute far less in taxes than those in work. Unemployment in Great Britain is now about 100,000 more than was assumed at budget time, and it is still rising. Nevertheless, there seems little doubt that the Treasury can achieve its target figure of £139bn for next year.

Wet British summer puts a dampener on seasonal sales

FINANCIAL TIMES REPORTER

BRITAIN'S wet summer has thrown into turmoil the traditional seasonal activities of many UK companies, as well as dampened the holiday season for those who stayed at home this year.

The weather - England and Wales has received nearly 50 per cent more rain than average since early June - has meant a less profitable harvest for Britain's farmers; less beer being drunk; summer fashions being left on the shelf; fewer fridges and freezers being sold; and more Britons holidaying abroad.

An average August in London has some 12 days without rain: this year it rained every day until yesterday in the capital. But the Bracknell weather centre gives some consolation by pointing out that 1985 has not yet moved into the top 60 wettest summers since 1727.

The blame for the damp summer is put on a continuous north-westerly airstream which has affected most of north-west Europe.

The hardest-hit British companies have been those which rely on sunny weather to help boost sales. The brewers are awaiting publication next week of the latest figures for beer sales, but total beer sales in the first six months this year are 18 per cent down on the same period of 1984.

Fashion retailers have been hard hit and left with extra stocks to clear. Marks & Spencer, Britain's biggest clothing retailer, helped to

mitigate the effects of the poor summer by bringing in its autumn fashion ranges earlier than usual.

The weather has led to a fall-off in sales of refrigerators and freezers - which normally sell well in the summer - according to Mr Ian Gray, managing director of the Rumbelows electrical goods chain. This loss has been compensated for by extra sales of washing machines and tumble dryers.

Suntan lotions have, surprisingly, not been affected by the weather, with sales this summer up by 7 per cent in volume terms compared with last year.

Many other seasonal products - such as garden furniture - have been adversely affected by the poor weather. However, umbrellas have been in great demand.

Another sector which has benefited has been the travel industry. "The demand for foreign holidays in recent weeks has been staggering," says the Association of British Travel Agents.

This last-minute rush should be seen against a fall-off in business earlier in the year. The general view is that the total UK package tour market will be down by about 5 to 10 per cent this year.

Opinions vary among farmers as to the likely effects of the weather on crop yields. But the consensus is that the total harvest will be large by historical standards, if nothing like as big as last year's record 26.4m tonnes.

NOTICE OF REDEMPTION
GULF OIL FINANCE N.V.
12½% Guaranteed Notes Due October 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the Fiscal and Paying Agency Agreement dated as of October 1, 1982 among Gulf Oil Finance N.V. (the "Company"), Gulf Oil Corporation, (renamed Chevron U.S.A. Inc.), as Guarantor and Morgan Guaranty Trust Company of New York, as Fiscal Agent and Paying Agent, under which the Company issued its 12½% Guaranteed Notes Due October 1, 1987 (the "Notes"), the Notes, the Company has elected to and shall redeem on October 1, 1985 (the "Redemption Date") all of the outstanding Notes at a redemption price of 101% of the principal amount thereof (the "Redemption Price"), being the amount of \$1,010 for each \$1,000 principal amount of Notes.

The Notes shall become due and payable on the Redemption Date at the Redemption Price which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at the offices of the paying agents listed below. The coupons for interest due on or before October 1, 1985 should be detached and should be collected in the usual manner.

The Notes will no longer be outstanding after the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

Payments at the office of any paying agent outside of the United States will be made by United States dollar check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payee not recognized as exempt recipient fails to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury that the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

PAYING AGENTS

Morgan Guaranty Trust Company
of New York
P. O. Box 161
Morgan House
1 Avenue Court
London EC2R 7AE
England

Morgan Guaranty Trust Company
of New York
Mainzer Landstrasse 46
6000 Frankfurt-am-Main
West Germany

Morgan Guaranty Trust Company
of New York
Avenue des Arts 85
B-1040 Brussels, Belgium

Morgan Guaranty Trust Company
of New York
14, Place Vendôme
75001 Paris, France

Ranque Internationale a Luxembourg S.A.
2 Boulevard Royal
Boite Postale 2806
Luxembourg, Luxembourg

Morgan Bank Nederland NV
12 Treveldestraat
P. O. Box 153
Amsterdam, Z. Holland

Swiss Bank Corporation
Aeschenvorstadt No. 1
CH-4002
Basle, Switzerland

By: Morgan Guaranty Trust Company
of New York, Fiscal Agent

August 19, 1985

This announcement appears as a matter of record only. August 1985

U.S. \$300,000,000

12 Year Interest Rate Cap

12½%: 6-Month LIBID, Repricing Monthly

This transaction was arranged by:

BankAmerica Capital Markets Group
and
Cargill Financial Services



'Think Tank' expected to have new head

Financial Times Reporter

MRS MARGARET THATCHER, the Prime Minister, is expected to announce within the next fortnight the appointment of a successor to Sir John Redwood as head of the "Think Tank" at No 10, Downing Street. The unit advises on policy matters.

Downing Street refused yesterday either to confirm or deny reports that the post would go to Prof Brian Griffiths, aged 43, the dean of the City University Business School in London.

Prof Griffiths, formerly professor of banking and international finance at the City University, has a reputation as a hardline monetarist.

The post of head of the "Think Tank" has become vacant as a result of the selection of Mr Redwood as parliamentary candidate for the safe Conservative seat of Wokingham in Berkshire.

The seat is at present held by Sir William van Straubenzee.

Tyndall Bank

(Incorporated in the Isle of Man)
Kensington Road, Douglas
Isle of Man - Tel. 0624 22201

Interest Rates
Sterling Money Account 11.125%
Dollar Money Account 6.75%

New management at JMB 'cuts losses'

BY STEFAN WAGSTYL

THE BANK of England believes that the new management it installed at troubled Johnson Matthey Bankers after its collapse last year has succeeded in cutting potential losses on bad and doubtful debts.

It is understood that the Bank is satisfied with the progress made in bringing the loan book to order since it rescued JMB last October. Previous estimates putting bad loans at £248m may prove to be up to £20m too high.

As a result, the Bank is confident that it can press ahead with plans to sell JMB back to the private sector. A number of would-be buyers have already expressed interest to Baring Brothers, the merchant bank which is advising the Bank on preparing the ground for an eventual sale.

In the next few weeks, the Bank is expected to see a detailed review of JMB's loan book by its new auditors, Price Waterhouse.

Indications that the Bank is now more optimistic than before about JMB's future are, however, unlikely to dispel continuing controversy about its past.

Mr Nigel Lawson, the Chancellor of the Exchequer, has far-reaching reforms of bank supervision after making trenchant criticisms of the

Bank of England's role in the JMB crisis.

● The City of London police fraud squad is expected to report soon on its investigations into gaps in JMB's records.

● JMB and its former parent Johnson Matthey are selling JMB's former auditors, Arthur Young, Arthur Young is suing Mr Lawson for libel over remarks made in broadcast statements on the affair.

Meanwhile, details of JMB's loan book - continuing to emerge. Some £100m of the £248m bad debts is accounted for by the two biggest creditors - Mr Mahmoud Sirra, whose El Saeed group ran up debts of over £50m, and a second major customer whose identity has not been disclosed.

Other debtors include companies in Mr Abdul Shamji's Gomba Group; Eal Commodities, a commodity trader, and Ravensbury Investments, a private company connected with Mr Michael Hepker, chairman of Sumrie Clothes.

Many of Mr Sirra's companies have gone into liquidation or receivership, but most other debtors have not been treated in this way. Rather than call in loans, JMB has preferred to seek better security or to improve documentation.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

GUINNESS PLC

(Registered in England No. 23307)

Issue of up to £70,100,000 of 8½ per cent. Convertible
Unsecured Loan Stock 1996/2001

Application has been granted by the Council of The Stock Exchange
for admission of the Loan Stock to the Official List

Listing Particulars relating to Guinness PLC and Supplementary Listing Particulars relating to the Loan Stock are available in the statistical services of Exel Statistical Services Limited and copies are available for collection from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2BT up to and including 29th August, 1985 and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 10th September, 1985 from:

Guinness PLC
Bodmin House
Twyford Abbey Road
London NW10 7ES

Morgan Grenfell & Co. Limited
New Issue Department
21 Austin Friars
London EC2N 2HB

Wood Mackenzie & Co. Limited
62/63 Threadneedle Street
London EC2R 8HP

Dated 27th August, 1985

Burdens Bank PLC
Registration Department
Radcliffe Hall, Knutsford
Cheshire WA16 9EU

Noble Grosvenor Limited
48 Queen Street
Edinburgh EH2 3NR

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

Public Notices

WIDE AREA
RADIO-PAGING SERVICES

Notice published by the Director General of Telecommunications
under Section 12 of the Telecommunications Act 1984.

Proposed modification of the licence granted to British Telecommunications to run telecommunication systems for the provision of radio-paging and other land mobile radio services.

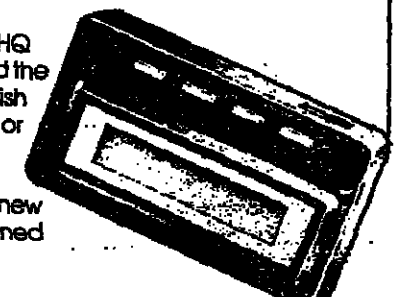
1 The Director General of Telecommunications ("the Director") hereby gives notice that he proposes, under Section 12 of the Telecommunications Act 1984 ("the Act"), to modify the conditions in the licence granted under Section 7 of the Act to British Telecommunications ("British Telecom") to run telecommunication services for the provision of radio-paging and other land mobile radio services by the insertion of a new condition. This condition will require British Telecom to introduce separate billing for its Radio-paging Services and ancillary services (eg the supply and maintenance of pagers) so that customers of those services are invoiced separately for such services from any other services provided by British Telecom. British Telecom will be required to introduce such separate billing for some of its radio-paging customers not later than 30 April 1986 and for the remainder of such customers as soon as reasonably practicable thereafter.

2 The purpose of the modification is to remedy or prevent any adverse effects to British Telecom's

competitors in the provision of radio-paging services which could result from British Telecom's practices of including its charges for radio-paging services in the same invoice as its other charges to a particular customer for other services provided to that customer by British Telecom.

3 The Director is required by Section 12(2) of the Act to consider any representations or objections which are duly made and are not withdrawn.

4 Any persons whose interests are likely to be affected by the modification, and who are desirous of making representations or objections in respect of it, should do so in writing to Mr A W G Coffin, OFTEL, Atlantic House, Holborn Viaduct, London EC1N 2HQ (stating their interests and the grounds on which they wish to make representations or objections) before October 7th 1985. Copies of the proposed new conditions may be obtained from OFTEL.



chips (3, 2)
Pitch corrector entertains
girl-mole, perhaps (9)

Yorkshire
Sir Alan Marre, 44 The Vale,
London NW11.

Scott and Jim Whithead 6.00 Survival
4.30 Friends 5.00 Bullseye 5.30
The Baron 6.30 News 6.40 Appeal
6.45 Mary O'Hara and Friends 7.15

5.20-5m Gardening Time 5.30 Border
Diary 1.00 pm A Question of Faith
1.30 Farming Outlook 2.30 Film
Botany Bay, starring James Mason

Football, more betting interest, 5.30
Farming Outlook 1.30 Pretenders 2.30
Sportspost 5.00 Wild Heritage 5.30
Chips 11.45 Reflections 11.50 Golf

Sky, 5.00 Dreams 5.30 Hart to
Hart 11.45 That's Hollywood 12.15 am
Company

Jazz (5 from midnight, 1.00 am Jean
Charles (5), 2.00-4.00 Gloria Hunniford
Presents Two's Best (5).

Territory 11.15 You the Jury (5),
12.00-12.15 am News Weather 12.35
Shipping Forecast

Nissan to build design centre at new plant

The requirement for design changes to the European Stanza would come about because of the differing requirements of European buyers to counterparts elsewhere in the world, and because of the need to fulfil a commitment to the UK Government that it would source at least 80 per cent of the car within Europe under phase two.

Mr Gibson pointed out that Nissan's past policy had been to produce a particular model at one plant

Mr Gibson sought to allay fears raised by West Midlands components suppliers that they would be required to move production facilities to the north-east if they wished to do business with Nissan, and that contracts could pass them by as a result of an influx of Japanese component suppliers.

TUC authority 'must be respected'

NATIONAL SAVINGS PREMIUM BOND
PREMIUM BOND NATIONAL SAVINGS
SAVING PREMIUM BOND NATIONAL

DSNATIONALSAVINGSPREMIUMBONDS
GSPREMIUMBONDSNATIONALSAVING
ALSAVINGSPREMIUMBONDSNATION



INTERNATIONAL SAVINGS PREMIUM BONDS
INTERNATIONAL SAVINGS PREMIUM BONDS
INTERNATIONAL SAVINGS PREMIUM BONDS

Industry urged to make up shortfall in research budget

INTERNATIONAL SAVINGS PREMIUM BONDS NATIONAL SAVINGS PREMIUM BONDS NATIONAL SAVINGS PREMIUM BONDS NATIONAL SAVINGS PREMIUM BONDS

ONAL SAVINGS PREMIUM BONDS
MIUM BONDS NATIONAL SAVINGS
NG CERTIFICATES NATIONAL

Expansion planned for London marina complex

Mr Stephen Goddenough, development manager of St Katharine, commented: "The project, which is

bria, for British Nuclear Fuels. The contract could be worth as much as £40m if extra works are needed.

PREMIUMBONDSNATION SAVI
SAVINGSPREMIUMBONDSNATI
BONDSNATIONALSAVINGSPREMI
NATIONALSAVINGSPREMIUMBON

PR U BOND SNATION SAVING
RESAVINGSPREMIUMBOND SNATION
UMBOND SNATIONSAVINGSPREMIU
DSNATIONSAVINGSPREMIUMBOND

BONDS NATIONAL SAVINGS PREMIUM BOND


EMILY M. SNATSONATIONAL SAVINGS PREMIUM BONDS
NATIONAL SAVINGS PREMIUM BONDS
NATIONAL SAVINGS PREMIUM BONDS
NATIONAL SAVINGS PREMIUM BONDS
NATIONAL SAVINGS PREMIUM BONDS

NATIONAL SAVINGS PREMIUM BONDS NATIONAL SAVINGS PREMIUM BONDS NATIONAL SAVINGS PREMIUM BONDS

IUMBONDSNATIONALSAVINGS
 NGPREMIUMBONDSNATIONAL
 DSNATIONALSAVINGSPREMIUM
 ONALSAVINGSPREMIUMBONDS

BASE LENDING RATES

| | | | |
|-------------------------------|------|--|------|
| A.B.N. Bank | 11½% | Heritable & Gen. Trust | 11½% |
| Allied Dunbar & Co. | 11½% | Hill Samuel | 11½% |
| Allied Irish Bank | 11½% | Hill, Hoare & Co. | 11½% |
| Anglo Egyptian Bank | 11½% | Holland & Sons | 11½% |
| Barclays Bank | 11½% | Johnson Mathew Bkrs. | 11½% |
| Barclays Bank | 11½% | Knowsley & Co. Ltd. | 12 % |
| Associates Cap. Corp. | 12 % | Lloyds Bank | 11½% |
| Banco de Bilbao | 11½% | Edward Manson & Co. | 12½% |
| Bank of Australia | 11½% | Morgan & Sons | 11½% |
| BCCI | 11½% | Midland Bank | 11½% |
| Bank of Ireland | 11½% | Morgan Grenfell | 11½% |
| Bank of Cyprus | 11½% | Mount-Credit Corp. Ltd. | 11½% |
| Bank of India | 11½% | National Bk. of Kuwait | 11½% |
| Bank of Scotland | 11½% | Norfolk & London | 11½% |
| Banque Belge Ltd. | 11½% | National Westminster | 11½% |
| Barclays Bank | 11½% | Northern Bank Ltd. | 11½% |
| Beneficial Trust Ltd. | 12½% | Norwich Gen. Trust | 11½% |
| Brl. Bank of Mid. East | 11½% | People's Trust | 12½% |
| British Empire | 11½% | Pratt, Coll. (UK) | 11½% |
| C. Bank Nederland | 11½% | Provincial Trust | 12½% |
| Canada Permanent | 11½% | R. Raphael & Sons | 11½% |
| Cayzer Ltd. | 11½% | Roxburghs Guarantee 12 % | 12 % |
| Charter Holdings | 12 % | Royal Bank of Scotland | 11½% |
| Cherbourg-Japhet | 11½% | Scotiabank | 11½% |
| Choulatrons | 11½% | J. Henry Schroder Wagg | 11½% |
| Citibank | 11½% | Standard Chartered | 11½% |
| Citibank Savings | 11½% | TCB | 11½% |
| Citibank Merchants Bank | 11½% | Trustee Savings Bank | 11½% |
| Clydesdale Bank | 11½% | United Bank of Kuwait | 11½% |
| C. E. Coates & Co. Ltd. | 12 % | United Mizrahi Bank | 11½% |
| Comm. Bk. N. East | 11½% | Westpac Banking Corp. | 11½% |
| Consolidated Credits | 11½% | Whiteway Ltd. | 12 % |
| Continental Trust Ltd. | 11½% | W. W. W. & Co. | 11½% |
| Co-operative Bank | 11½% | Yorkshire Bank | 11½% |
| The Cyprus Popular Bk. | 11½% | Members of the Accepting Houses Committee. | |
| Duncan Lawrie | 11½% | 1. Deposits 8.00% - 1 month | |
| E. T. Trust | 12 % | 2. 5.50% T.D. £2,500+ at 3 | |
| Equity Trust Ltd. | 11½% | monthly notice 11.25%. At call | |
| First Nat. Fin. Corp. | 13 % | with £100+ deposits 10.00% | |
| First Nat. Secs. Ltd. | 13 % | Call deposits £1,000 and over | |
| Robert Fleming & Co. | 11½% | 8% gross. | |
| Robert Fraser | 11½% | 3. 5.50% deposits over £1,000 | |
| Grindlays Bank | 11½% | 4. Mortgage bank rate. | |
| Guinness Mahon | 11½% | 5. Discounted Trust Ltd. | |
| Hambros Bank | 11½% | 6. Demand deposits 8%. | |



Dresdner Finance B.V.

Amsterdam

U.S. \$ 250,000,000
Floating Rate Notes 1984/1992
with Warrants

The Rate of Interest applicable to the Interest Period from August 27, 1985 to February 28, 1986, inclusively, was determined by Morgan Guaranty Trust Company of New York, London, as Reference Agent to be 8 1/8 % per cent

per annum. Therefore, Interest per Note of U.S. \$ 10,000 nominal amount is due on February 27, 1986, the Interest Payment Date, at the amount of U.S. \$ 21 67.

Dresdner Bank

Alteingesellschaft
 Principal Paying Agent

Frankfurt am Main,
 in August 1985

Dresdner Bank Group

Fully equipped Business Centre
with secretarial service, facsimile, 24-hour
telex and prompt message delivery.
Most modern accommodation in Seoul.
Ideally located.

For reservations call your travel agent,
and Hilton International hotel or Hilton Reservation Service.

SEOUL HILTON INTERNATIONAL
WHERE THE WORLD IS AT HOME™

[illegible]

Carla Rapoport explains the small business role and relates a company's views on the benefits of government aid

...the

Businesses for Sale

National Aluminium
(Mfg.) Limited

(Provisional Liquidator Appointed)

FOR SALE AS A UNIT

The business and assets of National Aluminium (MFG) Limited (provisional liquidator appointed), a leading manufacturer of replacement aluminium and PVC windows, doors, etc., are offered for sale as a unit on a going concern basis.

The business and assets of the company comprise extensive land and buildings at Rossall Road, Wexford, together with plant, machinery and stocks. A skilled and experienced workforce is available locally.

Haughey Boland & Co.

Inquiries to:
David B. Deasy, A.C.A., Provisional Liquidator
National Aluminium (MFG) Limited

Haughey Boland & Co.
Chartered Accountants
63-65 Amiens Street
Dublin 1
Telephone: 01-730611
Telex: 25536

OR
Rossall Road
Wexford
Telephone: (053) 23677
Telex: 80706

ENGINEERING BUSINESS

Located in South Yorkshire, our client specialises in light engineering and fabrication for the coal industry and for other nationalised and industrial customers. Design and manufacture to MCS specifications a speciality.

Turnover projected year ending March 1986: £1.3 million.

Acquisitions & Mergers Service (Ref PSP/PMK)
Price Waterhouse, Southwark Towers,
32 London Bridge Street, London SE1 9BY

Price
Waterhouse

COMMODITY TRADER—FOR SALE

United Kingdom company in existence since 1976. Business principally in the area of grain feed purchased in South America for resale in Europe. Company has good name in market and is well trading, but has accumulated tax losses. Turnover in 1983 was \$33 million; reduced to \$10 million in 1984 and \$3 million in 1985.

For further information, please write to:
Box H014, Financial Times
10 Cannon Street, London EC4P 4BY

SOUTH WEST ENGLAND

An opportunity to acquire a well established Business Computer Sales and Maintenance Company, active throughout the South-West with valuable agencies. Genuine family reasons for sale. Minimum capital requirement £50,000. Realistic price can be negotiated between accountants.

Write Box H0140, Financial Times
10 Cannon Street, London EC4P 4BY

DIVERCO
Sell Companies
Nationwide

SELLERS and BUYERS

Contact in confidence:
DIVERCO LTD.
4 Bank Street,
Worcester WR1 2EW.
Tel: 0905 22303

PARTNER
SOUGHT

Distributors offer part equity sale. Manager shareholers require management assistance for their next phase of expansion which due to high profits will be financed from present company funds. An exciting and genuine opportunity to invest in an extremely solid and efficient company.

Turnover £800,000
Net Profit £250,000
Enquiries to:
N. Guy Duncombe
Chartered Accountant
21 Station Road
HINCKLEY, Leics.

MANUFACTURERS AND
SUPPLIERS OF
MEDICAL DISPOSABLES

The business is a DMS approved supplier to the NHS. The company has spent substantial resources in achieving this approval, and the business now has a steady flow of orders. The business is for sale as a going concern. The owner is retiring and the business is being sold at a discount. The business is a very good investment opportunity. The business is a very good investment opportunity. The business is a very good investment opportunity.

For further details, please contact:
LIVY GIBBS AND PARTNERS
100 Cannon Street, London EC4P 4BY
Tel: 01-257 4477

FOR SALE

Five mobile home sites as a going concern including two caravan sales pitches, in the same ownership for a considerable period. Very good cash flow. No agents; principals only should apply.

Write Box H0142, Financial Times
10 Cannon Street, London EC4P 4BY

FOR SALE

BUSINESS AND HOME COMPUTER RETAILING
Prime Town Centre Premises
Cardiff
IBM, ACT & EPSON Dealerships
Write Box H0138, Financial Times
10 Cannon Street, London EC4P 4BY

HAULAGE COMPANY

NOTTINGHAMSHIRE

Due to retirement this expanding business (turnover £250K) specialising in bulk liquid transport is for sale. Freehold garage and depot with bulk fuel storage.

For please contact:
M. J. Prior Esq., Shepherd & Co
Clarendon House, 81 Mosley Street
Manchester M2 3LS

SURREY BUILDING
CONTRACTORS

TURNOVER CIRCA £3m
Prominent Freehold Premises with Joinery Facility. Full order book. Available for sale due to retirement of Partner Company.
Write Box H0133, Financial Times
10 Cannon Street, London EC4P 4BY

Commercial Vehicle
Main Franchise
Holder

COMPANY FOR SALE
Including freehold property
Write Box H0139, Financial Times
10 Cannon Street, London EC4P 4BY

HIGHLY PROFITABLE
MICROCOMPUTER
DEALERSHIP

Established 1981. Turnover up 50% in 1985. Profits doubled. Good sales force. Substantial engineering maintenance contracts. IBM authorised. A.C.T. approved dealership. £100,000 plus S.A.V. Principals only please.
Write Box H0137, Financial Times
10 Cannon Street, London EC4P 4BY

CANAL HIRE BOAT
COMPANY

FOR SALE

situated on the popular
Cheshire Ring
Write Box H0146, Financial Times
10 Cannon Street, London EC4P 4BY

International

U.S. WHOLESALE

Wholesale distributor of "natural" vitamins. Company has been established for over 7 years, and employs 40 people. Sales over £2.5 million. 400 thousand, not worth noting. Asking £1.5 million with negotiable terms.
Write Box H0138, Financial Times
10 Cannon Street, London EC4P 4BY

Mombasa, Kenya

Established security business comprising Radio Alarm Systems, Cash-in-Transit and Guards, annual turnover £1 million.
Apply: Box H0135, Financial Times
10 Cannon Street, London EC4P 4BY

TOOLMAKER AND
PRESSWORKERPLASTIC MOULDINGS
MANUFACTURER

Separate businesses and assets
for sale as going concerns

- ★ ACP Tool & Engineering Co. Ltd. trades as a toolmaker and pressworker. ACP Precision Plastic Mouldings Ltd. trades as a manufacturer of high quality plastic mouldings.
- ★ Both businesses are based near Dudley, West Midlands with Freehold Properties, Plant & Stock with a combined value of £250,000.
- ★ Turnover: Tool & Engineering £500,000
Precision Plastics £200,000

For further details, please contact:

The Joint Receivers, J.K.R. Jones and M.J. Hore
of Robson Rhodes, Centre City Tower,
7 Hill Street, Birmingham B5 4UU.
Tel: 021-643 1936 Telex: 339420

ROBSON RHODES

For Sale as a going concern,
a full range
COMMERCIAL VEHICLE DEALERSHIP

with the possibility of transferring a major importer franchise, situated in the West Midlands with an annual turnover in excess of £1m. The company has 12 employees. Further enquiries to the liquidator: A J Galloway

Binder Hamlyn

CHARTERED ACCOUNTANTS
Mander House, Mander
Centre, Wolverhampton,
West Midlands WV1 3NF
Tel: 0902 714828

FOR SALE

Old Established
Stainless Steel
Fabrication
business in West
Midlands

situated on large
freehold site ideal
for expansion.

Write for particulars to:
Box H0147, Financial Times
10 Cannon Street
London EC4P 4BY

FORD MAIN
DEALER
FOR SALE

Situated in leasehold premises in an expanding part of North Cheshire this dealership is equipped to sell new and used cars and light vans together with facilities for servicing and spare part trading.

Write Box H0148, Financial Times, 10 Cannon Street
London EC4P 4BY

Business Wanted

WASTE DISPOSAL COMPANIES
WANTED TO BUY

Major waste disposal company, part of a quoted group, wishes to expand its waste activities by the acquisition of:

- Existing collection business (skip and/or mobile compaction vehicles);
- Collection business with own disposal sites facilities;
- Disposal sites or quarries/gravel pits with waste disposal potential.

Replies in confidence to:
Box H0150, Financial Times
10 Cannon Street, London EC4P 4BY
or telephone 01-994 9222

Major subsidiary of
public company

Requires to purchase companies or product lines in following sectors—

- 1) Construction markets
- 2) Home improvement
- 3) General engineering
- 4) Security

Please reply to Box T0144, Financial Times
10 Cannon Street, London EC4P 4BY

TAX LOSS
COMPANY
REQUIRED

Corporation Tax losses in the region of £1 million, related to the Textile Trade and preferably trading.

Write Box H0134, Financial Times, 10 Cannon Street
London EC4P 4BY

PLASTICS/CHEMICAL
or other TECHNOLOGY
based business

Acquisition or Equity participation sought. Confidentiality assured.

Write Box H0145, Financial Times
10 Cannon Street, London EC4P 4BY

READING BASED COMPANY

which includes a mass dictating operation is interested in acquiring a small independent offset printing business with good customer base. We would want to acquire reasonably modern equipment and experienced printers.

Phone Mr. J. Miller on
Reading (0734) 687881

CONSULTANCY FIRM
REQUIRED BY PLC
TO FORM BASIS
OF NEW DIVISION

Your firm is probably between 10 and 20 strong but lacks the financial and people resources for further growth. Our objective is to provide Strategic Consultancy Services to corporate clients, concentrating on Physical Distribution Management, Information Technology and Communications.

Apply in strictest confidence to:
Box H0135, Financial Times
10 Cannon Street, London EC4P 4BY

SHOPFITTING

Investment Co wishes to acquire as a going concern a shopfitting co located in South-East England. T/O required in excess of £200,000 achieved by skilled work force.

Please contact:
Box H0143, Financial Times
10 Cannon Street, London EC4P 4BY

READING BASED COMPANY

engaged in electronic fund transfer operations is interested in acquiring a company specialising in distribution of electronic point of sale units or similar activity. We are particularly interested in key personnel and salesforce as well as product line.

Phone Mr. J. Miller on
Reading (0734) 687881

Contracts & Tenders

CALL FOR TENDERS

Emirates and Sudan Investment Co. Ltd.
in co-operation with Emirates & Central
Region Investment Co. Ltd.SUPPLY, ERECTION AND INSTALLATION OF EQUIPMENT FOR A POULTRY
PROJECT AT NORTH GEZIRA, DEMOCRATIC REPUBLIC OF THE SUDAN.

The Managing Director, Emirates and Sudan Investment Co. Ltd., invites tenders from competent contractors to supply, erect and install equipment for a Poultry Project at Maseed Area (North Gezira) Democratic Republic of the Sudan

The full text of the call for tenders can be obtained from the Embassy of the Republic of the Sudan in London while the tender documents can be obtained from the Head Office of the Company at the 5th Floor, TAKA BUILDING, ATBARA STREET, Khartoum. Tender Documents can be obtained on payment of 450 dollars by cheque non-refundable.

Address of the Embassy:

EMBASSY OF THE DEMOCRATIC REPUBLIC OF SUDAN
3-5 CLEVELAND ROW, ST. JAMES STREET
LONDON, S.W.1A 1DD, U.K.

MANAGING DIRECTOR
EMIRATES & SUDAN INVESTMENT CO. LTD.

PROCUREMENT NOTICE FOR
THE SUPPLY OF
TUBULARS AND OTHER OIL
PRODUCTION EQUIPMENT

Under the coverage of Bati Raman enhanced oil recovery project whose foreign currency requirements will be financed through a World Bank Loan, Turkish Petroleum Corporation intends to solicit individual bids for the supply of the following materials:

1. 2 1/2" N-80 tubing;
2. 3/4", 1" sucker rod;
3. 1 1/2" x 22' polished rod;
4. 3 1/2" x 3 1/2" x 24' sub-surface pump and spares;
5. 5 1/2", 5 7/8", 5 1/2" bit;
6. 500 v, 50 Hz, 30 kw electrical motors as prime mover;
7. Fishing equipment;
8. Log line stuffing box unit.

Manufacturers and suppliers intending to submit bids for these materials can obtain tender documents from Turkish Petroleum Corporation at the address below starting from September 4th, 1985. Interested companies should deposit US\$50 for each item, to Ottoman Bank, Ankara Branch, TPAO Account 0710-00374-9. No further advertisement will be made.

TURKISH PETROLEUM CORPORATION

Attn: Mr. Kutluhan Kantar
Production Group, Mufdafa Cad. No. 22
Ankara, Turkey
Telex: 42426 TPAO TR

National Water and Sewerage Authority

P.O. Box 104, Sana'a, Yemen Arab Republic

Dhahran/Tab Water Supply and Sewerage Projects

The National Water and Sewerage Authority invites experienced firms to tender for the following supply and installation contracts:
1. Dhahran water supply and sewerage project (serving 50,000 inhabitants).
2. Tab water supply and sewerage project (serving 50,000 inhabitants).
3. Water supply component:
3.1. No. 1 deep well, water reservoir, high voltage and low voltage distribution, remote control facilities, chlorination facilities, operation and maintenance for 24 months.
3.2. Supply of pipes, fittings and appurtenances. Volumes 15/W/ 4A, 4B, 4C, 4D, 4E, 4F, 4G, 4H, 4I, 4J, 4K, 4L, 4M, 4N, 4O, 4P, 4Q, 4R, 4S, 4T, 4U, 4V, 4W, 4X, 4Y, 4Z, 5A, 5B, 5C, 5D, 5E, 5F, 5G, 5H, 5I, 5J, 5K, 5L, 5M, 5N, 5O, 5P, 5Q, 5R, 5S, 5T, 5U, 5V, 5W, 5X, 5Y, 5Z, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H, 6I, 6J, 6K, 6L, 6M, 6N, 6O, 6P, 6Q, 6R, 6S, 6T, 6U, 6V, 6W, 6X, 6Y, 6Z, 7A, 7B, 7C, 7D, 7E, 7F, 7G, 7H, 7I, 7J, 7K, 7L, 7M, 7N, 7O, 7P, 7Q, 7R, 7S, 7T, 7U, 7V, 7W, 7X, 7Y, 7Z, 8A, 8B, 8C, 8D, 8E, 8F, 8G, 8H, 8I, 8J, 8K, 8L, 8M, 8N, 8O, 8P, 8Q, 8R, 8S, 8T, 8U, 8V, 8W, 8X, 8Y, 8Z, 9A, 9B, 9C, 9D, 9E, 9F, 9G, 9H, 9I, 9J, 9K, 9L, 9M, 9N, 9O, 9P, 9Q, 9R, 9S, 9T, 9U, 9V, 9W, 9X, 9Y, 9Z, 10A, 10B, 10C, 10D, 10E, 10F, 10G, 10H, 10I, 10J, 10K, 10L, 10M, 10N, 10O, 10P, 10Q, 10R, 10S, 10T, 10U, 10V, 10W, 10X, 10Y, 10Z, 11A, 11B, 11C, 11D, 11E, 11F, 11G, 11H, 11I, 11J, 11K, 11L, 11M, 11N, 11O, 11P, 11Q, 11R, 11S, 11T, 11U, 11V, 11W, 11X, 11Y, 11Z, 12A, 12B, 12C, 12D, 12E, 12F, 12G, 12H, 12I, 12J, 12K, 12L, 12M, 12N, 12O, 12P, 12Q, 12R, 12S, 12T, 12U, 12V, 12W, 12X, 12Y, 12Z, 13A, 13B, 13C, 13D, 13E, 13F, 13G, 13H, 13I, 13J, 13K, 13L, 13M, 13N, 13O, 13P, 13Q, 13R, 13S, 13T, 13U, 13V, 13W, 13X, 13Y, 13Z, 14A, 14B, 14C, 14D, 14E, 14F, 14G, 14H, 14I, 14J, 14K, 14L, 14M, 14N, 14O, 14P, 14Q, 14R, 14S, 14T, 14U, 14V, 14W, 14X, 14Y, 14Z, 15A, 15B, 15C, 15D, 15E, 15F, 15G, 15H, 15I, 15J, 15K, 15L, 15M, 15N, 15O, 15P, 15Q, 15R, 15S, 15T, 15U, 15V, 15W, 15X, 15Y, 15Z, 16A, 16B, 16C, 16D, 16E, 16F, 16G, 16H, 16I, 16J, 16K, 16L, 16M, 16N, 16O, 16P, 16Q, 16R, 16S, 16T, 16U, 16V, 16W, 16X, 16Y, 16Z, 17A, 17B, 17C, 17D, 17E, 17F, 17G, 17H, 17I, 17J, 17K, 17L, 17M, 17N, 17O, 17P, 17Q, 17R, 17S, 17T, 17U, 17V, 17W, 17X, 17Y, 17Z, 18A, 18B, 18C, 18D, 18E, 18F, 18G, 18H, 18I, 18J, 18K, 18L, 18M, 18N, 18O, 18P, 18Q, 18R, 18S, 18T, 18U, 18V, 18W, 18X, 18Y, 18Z, 19A, 19B, 19C, 19D, 19E, 19F, 19G, 19H, 19I, 19J, 19K, 19L, 19M, 19N, 19O, 19P, 19Q, 19R, 19S, 19T, 19U, 19V, 19W, 19X, 19Y, 19Z, 20A, 20B, 20C, 20D, 20E, 20F, 20G, 20H, 20I, 20J, 20K, 20L, 20M, 20N, 20O, 20P, 20Q, 20R, 20S, 20T, 20U, 20V, 20W, 20X, 20Y, 20Z, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, 21J, 21K, 21L, 21M, 21N, 21O, 21P, 21Q, 21R, 21S, 21T, 21U, 21V, 21W, 21X, 21Y, 21Z, 22A, 22B, 22C, 22D, 22E, 22F, 22G, 22H, 22I, 22J, 22K, 22L, 22M, 22N, 22O, 22P, 22Q, 22R, 22S, 22T, 22U, 22V, 22W, 22X, 22Y, 22Z, 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H, 23I, 23J, 23K, 23L, 23M, 23N, 23O, 23P, 23Q, 23R, 23S, 23T, 23U, 23V, 23W, 23X, 23Y, 23Z, 24A, 24B, 24C, 24D, 24E, 24F, 24G, 24H, 24I, 24J, 24K, 24L, 24M, 24N, 24O, 24P, 24Q, 24R, 24S, 24T, 24U, 24V, 24W, 24X, 24Y, 24Z, 25A, 25B, 25C, 25D, 25E, 25F, 25G, 25H, 25I, 25J, 25K, 25L, 25M, 25N, 25O, 25P, 25Q, 25R, 25S, 25T, 25U, 25V, 25W, 25X, 25Y, 25Z, 26A, 26B, 26C, 26D, 26E, 26F, 26G, 26H, 26I, 26J, 26K, 26L, 26M, 26N, 26O, 26P, 26Q, 26R, 26S, 26T, 26U, 26V, 26W, 26X, 26Y, 26Z, 27A, 27B, 27C, 27D, 27E, 27F, 27G, 27H, 27I, 27J, 27K, 27L, 27M, 27N, 27O, 27P, 27Q, 27R, 27S, 27T, 27U, 27V, 27W, 27X, 27Y, 27Z, 28A, 28B, 28C, 28D, 28E, 28F, 28G, 28H, 28I, 28J, 28K, 28L, 28M, 28N, 28O, 28P, 28Q, 28R, 28S, 28T, 28U, 28V, 28W, 28X, 28Y, 28Z, 29A, 29B, 29C, 29D, 29E, 29F, 29G, 29H, 29I, 29J, 29K, 29L, 29M, 29N, 29O, 29P, 29Q, 29R, 29S, 29T, 29U, 29V, 29W, 29X, 29Y, 29Z, 30A, 30B, 30C, 30D, 30E, 30F, 30G, 30H, 30I, 30J, 30K, 30L, 30M, 30N, 30O, 30P, 30Q, 30R, 30S, 30T, 30U, 30V, 30W, 30X, 30Y, 30Z, 31A, 31B, 31C, 31D, 31E, 31F, 31G, 31H, 31I, 31J, 31K, 31L, 31M, 31N, 31O, 31P, 31Q, 31R, 31S, 31T, 31U, 31V, 31W, 31X, 31Y, 31Z, 32A, 32B, 32C, 32D, 32E, 32F, 32G, 32H, 32I, 32J, 32K, 32L, 32M, 32N, 32O, 32P, 32Q, 32R, 32S, 32T, 32U, 32V, 32W, 32X, 32Y, 32Z, 33A, 33B, 33C, 33D, 33E, 33F, 33G, 33H, 33I, 33J, 33K, 33L, 33M, 33N, 33O, 33P, 33Q, 33R, 33S, 33T, 33U, 33V, 33W, 33X, 33Y, 33Z, 34A, 34B, 34C, 34D, 34E, 34F, 34G, 34H, 34I, 34J, 34K, 34L, 34M, 34N, 34O, 34P, 34Q, 34R, 34S, 34T, 34U, 34V, 34W, 34X, 34Y, 34Z, 35A, 35B, 35C, 35D, 35E, 35F, 35G, 35H, 35I, 35J, 35K, 35L, 35M, 35N, 35O, 35P, 35Q, 35R, 35S, 35T, 35U, 35V, 35W, 35X, 35Y, 35Z, 36A, 36B, 36C, 36D, 36E, 36F, 36G, 36H, 36I, 36J, 36K, 36L, 36M, 36N, 36O, 36P, 36Q, 36R, 36S, 36T, 36U, 36V, 36W, 36X, 36Y, 36Z, 37A, 37B, 37C, 37D, 37E, 37F, 37G, 37H, 37I, 37J, 37K, 37L, 37M, 37N, 37O, 37P, 37Q, 37R, 37S, 37T, 37U, 37V, 37W, 37X, 37Y, 37Z, 38A, 38B, 38C, 38D, 38E, 38F, 38G, 38H, 38I, 38J, 38K, 38L, 38M, 38N, 38O, 38P, 38Q, 38R, 38S, 38T, 38U, 38V, 38W, 38X, 38Y, 38Z, 39A, 39B, 39C, 39D, 39E, 39F, 39G, 39H, 39I, 39J, 39K, 39L, 39M, 39N, 39O, 39P, 39Q, 39R, 39S, 39T, 39U, 39V, 39W, 39X, 39Y, 39Z, 40A, 40B, 40C, 40D, 40E, 40F, 40G, 40H, 40I, 40J, 40K, 40L, 40M, 40N, 40O, 40P, 40Q, 40R, 40S, 40T, 40U, 40V, 40W, 40X, 40Y, 40Z, 41A, 41B, 41C, 41D, 41E, 41F, 41G, 41H, 41I, 41J, 41K, 41L, 41M, 41N, 41O, 41P, 41Q, 41R, 41S, 41T, 41U, 41V, 41W, 41X, 41Y, 41Z, 42A, 42B, 42C, 42D, 42E, 42F, 42G, 42H, 42I, 42J, 42K, 42L, 42M, 42N, 42O,

THE ARTS

Islamic treasures and modern sculpture

William Packer

A significant number of the finest private collections of Islamic art are to be found in Geneva and the city's Musée d'art et d'histoire has placed its Musée Rath at the disposal of the organisers (until October 27) and made available its own holding of Islamic miniatures (the Fozzi Collection) for an exhibition which, substantially, is of objects never shown before in public.

Treasures of Islam is not a large exhibition, nor does it seem so. For all that it comprises around 600 items and its scope embraces the whole history of Islam from the 7th to the mid-19th centuries, its full geographical extent, from Spain to central Asia, and its many practical disciplines.

These last are here divided into eight principal categories: the Book; Ceramics; Arms; Textiles and Carpets; Architecture; Metalwork; Coin; and the Decorative Arts in general.

Of itself, it is not the kind of show that makes neat art historical points or follows an academic argument, although just such exegesis is generously available in the handsome and scholarly catalogue that Toby Falk has edited. Published by Sotheby's/Philip Wilson in association with the Geneva Museum at £35 (SwFr 110) hardback, its 600 illustrations are in colour. Rather it is a celebration of the particular, the beautiful and the exquisite.

Historical connections and stylistic developments are there to be pointed out, of course, especially so with the Iranian and Mughal miniature paintings of the 16th and 17th centuries, as well as all coins, some 200 of them. But even then, it is the individual image or artefact that strikes in the mind, two camels biting at each other, legs horsing prancing through the lions to escape Rustem, or the lion stamped in the golden zodiac mihr.

There are the pots, with the influence of Chinese porcelain an ever-present question but one which falls away in the face of their particular qualities, whether it is the astonishing boldness and simplicity of the calligraphic



Portrait of Hajji Mirza Aqasi, chief minister of Muhammad Shah Qajar, wearing a white cloak over a coat of Kerman shawl, and holding a walking stick (Iran, dated 1262/1846). From the 'Treasures of Islam' exhibition

decoration of the very earliest piece—a plain shallow dish from Mesopotamia of the 9th or 10th century—or the unornamented refinement of the Kashan jugs and bowls of around 1200, or again the more complex floral dishes from Turkey some time before 1600 AD.

Most delightful of all, the little Mughal water maze sits by itself in the lower gallery, the simplest of decorative sculptural ideas given the most elegant of resolutions, as the stream let into the shallow marble block is split to follow different but equal rectilinear courses that emerge at last together.

It is as physically gratifying a piece as it is imaginative, and would not in the least be out of place in the international exhibition of modern sculpture which the Centre d'Art Contemporain has put on in the open air at the Parc Lullin at Genéve, some three miles from Geneva along the Route du Lac towards Lausanne.

Promenades (until September 22) offers exactly what its name suggests, the opportunity to work any number of variations upon a gentle stroll through the park to take in the sculpture as may be, one thing leading on to another but in no given order.

The ground falls away from

the house at the top of the hill down to the lake, gently at first across an open meadow dotted with trees, and then sharply down through woods to the railway, through a tunnel, and so down to the water's edge. The sculptor thus has the widest choice, from wide and open spaces and extended vistas to sudden, close and private places in which to work, or set up his work.

Sculpture in the open hardly constitutes a revolution, and some of the artists here have simply brought their work to the show as a calculated imposition, knowing that with perhaps some minor formal adaptation a suitable site would be found and it would look well enough.

The more intriguing work and more successful in terms of this particular exhibition is that which makes it clear that Mahomet has come to the mountain, that the artist has responded to the particular stimulus of the given place to offer a work of art that could never be quite the same elsewhere.

In the thicket a large arrow pierces the trunk of a tree some ten feet above the ground (Jan Hamilton Finlay); little further on and now some 80 feet up are chairs fixed to opposing tree trunks, bizarre growths (Jakob Arntsen); now down to a hidden stream and a host of hung pool where floats a little wooden raft, with mast and flag (Mervyn O'Connell). More fugitive still, 12 long, thin sticks, each bearing some 170 sun spots, are arranged in a glass case, scattered among the natural debris around a low tree (Roger Ackling). We look up and there above the path beside the meadow a single branch of the overhanging tree has been painted bright gold (Jakob Manner). We look down, and forgotten tree stumps have been cemented in and inscribed: Modus Operandi (Joseph Kosuth).

At the next turn, a huge, through the wood a colossal figure of variegated marble, a sort of winged and giant troll, blocks our path (Michaelangelo Pistoletto). And that is not all, not even the half of it.

BBC Philharmonic/Radio 3

David Murray

On Thursday the BBC Philharmonic shouldered the third Prom of the week, this time conducted by Edward Downes. He was a tacit accompanist for the Portuguese pianist Siqueira Costa in Chopin's F minor Concerto, but the works before and after it represented Downes' solid virtuosity, the neglected *Machbeth* of Strauss, for searching out music at the edge of the repertoire, and Prokofiev's Symphony No. 4, for unshakeable loyalty to the Russian tradition.

Machbeth, Strauss' first "tone poem," gained a new sense of Downes' theatrical sense. Its symphonic means are pre-

vious, but they serve a quite definite dramatic plan: roughly, the plot of what happens to Macbeth and his lady up to the murder of Duncan, and then a swift leap to the end of the play. Downes drew the leading portraits with exact sympathy—they are much less like cartoons than their musical analogues in most of the later tone poems—and kept the development taut. The piece does not often sound so purposeful and concise, nor its ingeniously woven lines so strongly characterised.

The Fourth Symphony of Prokofiev is no more often played, undoubtedly because it

is the most bemusing of his symphonies. It began from his ballet *The Prodigal Son*, reworking old material with some new for a Boston Symphony commission, and the composer had a rush of second thoughts almost 20 years later. It became much longer and rather more aggressive, but it still relies nakedly upon unbridled motor ostinato to keep it going.

In this performance the most blatant ostinati suddenly recalled Philip Glass, though of course Prokofiev's ostinati have tunes on top. Sometimes, as in the Andante, the tunes unwind with some eloquence (Downes judged the reflective tone

nicely); sometimes, as particularly in the first movement, they are laid out one after another in undisguised sections and nothing will make the music sound honestly symphonic. Energy and a convinced attack are the best solutions, and after a short and unconvincing start, a moderate tempo the BBC Philharmonic doesn't achieve tough unanimity—Downes kept up the tension very well.

The BBC engineers seemed to favour the orchestral piano, which was useful. In the Chopin concerto the piano was so far forward, for radio listeners, that the orchestra quite disappeared in some passages. Siqueira Costa gave a cool, crisp account of the work: ornaments and other digital flights sharp-cut, always subordinate to the beat.

Model's paintings

The Barbican Art Gallery is to start on display some paintings by Vera Cunningham, who was the model for some of Matthew Smith's nude studies.

It will be the first London showing of her work for over 20 years and will be shown alongside the work of three near contemporaries: Gwen John, Irish artist Rodric O'Connor, and Matthew Smith himself, including pictures of Vera Cunningham.

The exhibition runs from September 12 to November 3.

Edinburgh Festival drama

Michael Coveney



Paul Young and Rikki Fulton in 'A Wee Touch of Class' at the Church Hill Theatre

well into Scottish and Fulton and Denise Coffey (who plays a scruffy maid in clags from Fife) have come up with the inspired idea of translating M Jourdan's parvenu aspirations to the Edinburgh of 1852, with Fulton playing Archibald Jenner, founder of the great store, anxious to put the figure in the burgeoning New Town salons and squares.

The king is staying at Dalkeith Castle and has mentioned Jenner in the bed chamber, so the gormless gull is naturally anxious to polish his act and to keep his vowels open. Fulton, a popular star in very nearly the same class as Ken Dodd, resembles Larry Grayson with the sweepback whiskers and style of an ageing rocker. His pretensions are continuously sabotaged by his own innate and incorrigible vulgarity.

When dinner of "tatties and herring" is served to the Marchioness of Marchmont, the unfortunate odour moves Fulton to inspect his dinner, then his shoes, then his guests' shoes and finally, with the illuminated acknowledgement of his audience that is the privilege of only the greatest of the vulgar, he bows to the vulgarities in the audience.

While Jenner was making his

way along Princes Street in the early 1850s, Thomas de Quincey was shivering in a grass market attic trying to complete *Confessions of an English Opium Eater*. The enthralling virtues and sheer intelligence of Andrew Dalmeier's *Opium Eater* at the Scottish Centre in Strandwick Place have been unfortunately obscured in the same venue's hysterical promotion of what is now billed as "the Sensational Sean Mathias Season." If either of the Mathias plays is half as good as Dalmeier's I'd be pleasantly surprised.

Neil Cunningham plays de Quincey, lifting the curtain on what he calls the miniature theatre of his mind to reveal those astonishing dream scenarios that, exactly 100 years before Freud, were transformed into art. It is a performance of high physiological perception and arresting wit and will therefore almost certainly not be joining the Sean Mathias plays in the West End later this autumn.

De Quincey is buried just 200 yards away from the Scottish Centre, in St Cuthbert's, and the 200th anniversary of his birth is only a few months away. Cunningham conveys superbly the haunted nervousness of the demoralised artist; the

shuddering, obliterating pleasures of laudanum consumption; the fearful drying-out process when the bottle is empty; the impulsive desperation of the hooked hack and doggerel genius. Stewart Preston lends admirable support as the writer's filthy messenger and ironically inspirational amanuensis.

Opium Eater is the sort of play that honours the Edinburgh Fringe and rescues it from the pervasive trendiness and cattle market of the Assembly Room. That said, the best type of Assembly Room's cabaret returns this week in the shape of *The Flying Karamazov Brothers* who made a great impact late night at the Royal Lyceum as part of the official programme. This hair-suit Californian quintet of wise-cracking laid-back jugglers and acrobats, a black silk street theatre skills elevated to the level of a Zen discipline. They juggle anything thrown at them by the audience. On Saturday night they were lumbered with a grotesque umbrella, a black silk stocking and a dubious looking haggis. These things were juggled and the acrobatic hippies duly took the first of two standing ovation. They also rather exposed the old-hattedness of the Moscow State Circus.

Lancelot/Arundel Castle

Rodney Milnes

Only the English would mount opera in the open air at the end of August. Last Saturday's premiere of Lancelot, commissioned by the Arundel Festival and staged in the Castle Milling Yard, played to the cream of West Sussex society, defiantly dinner-jacketed but soon swathed in tartan rugs; an unscheduled but hardly unpredictable 40-minute interval for rain during the first act meant that the performance lasted until well after 10.30, by which time the cold was arctic and the last trains had long departed.

One's heart went out to the players, and to the singers who negotiated a tilted stage—despite the ministrations of seven maids with seven squeaky—must still have been slippery, and dutifully mollocked in the wet grass as and when required.

Mr Hamilton's new opera, like his Anna Karenina, is about the destructive effect of romantic love on society in general, a subject on which one might have thought Turgenev to have had the last word. Indeed, situations parallel to Wagner's opera kept occurring, and could not help but be unflattering. But they

were parallels of form, not content.

Once again Mr Hamilton has written his own libretto, this time drawn from Arthurian legend. Sadly he has not followed his professed aim of paring the material down to bare essentials; narrative values, as in his earlier works, remain paramount both as regards plot and reminiscence.

The superabundance of event in the second act would have given Handel himself pause; the verbal syntax, embarrassingly over-reliant on cliché ("Too late, what's done is done"), seldom rises above the level of TV soap opera ("Rise Guinevere, love is not bound by statutes"). Most seriously, it leaves no time for the music to do anything other than accompany, and the last impression is of Dymally in a costume with a superior soundtrack.

This is sad, since although many of Mr Hamilton's musical gestures come out of stock, it is sound stock in its late-romantic, Walton and Waterway. If only his libretto gave him time, his short-breathed melodies might develop into something coherent, his efficient musical sentences into convincing paragraphs—here, only the first-act finale builds up a genuinely operatic head of steam. Mr Hamilton's potential as a composer for the stage will surely only flower when he brings himself to work with a proper librettist.

The performance was beyond any critical reproach. The Tilted Yard's acoustics are as remarkable (every word was numbingly audible) as its stage space is intractable (even running exit and re-entries of steps takes a good minute). In the circumstances Aidan Lang's production was a model of resourcefulness. Chris Nance conducted brilliantly, control-

ling the performance with the coolest of heads and clearest of beats.

The fine cast sang out strongly, with Anne Williams King, tirelessly bright and accurate, Guinevere. John Harris a vocally heroic Lancelot, and Tom McDermott a duly tortured Arthur. Michael Rippon (Morgan le Fay) were the rival magicians, and Linda Kitchen, Nigel Robson and Jeremy Munro dealt courageously with more or less expandable supporting roles. Given the libretto, they had opportunity for little more than acting of the clutch and stagger variety, which they did well enough.

Buddy Holly at the Regal

Antony Thorncroft

Buddy Holly at the Regal is the misleading title of a musical play by Phil Woods, more accurately entitled *Derek Duckworth* or *the Regal*. It is about Buddy Holly (in the guise of Pikey Butler of the pop group Darts) in attendance, but on a podium above the stage, where, with the Crickets, he belts out his hits in between vignettes of working-class life in Hull, circa 1958, especially the growing pains of Duckworth, ripper packer by day, active in a coffee bar by night, who is played by the night.

Buddy Holly is Duckworth's life. Will Duckworth rise above his bleak future to capture the world? Will he—well? The strength of Wood's play is that he has given Duckworth a sympathetic character, the genial clown who hides his boring life behind a facade of jokes. He is given a brilliant performance by David Thelwell, a wimp in the body of a stick insect.

The weakness is that this is nothing more than another series of unrelated cameo scenes about the embarrass-

ments of encroaching maturity. There is the army medical scene, cue for business with urine sample; the first brush with a girl, cue for "I shall I take my clothes off" jokes. There is the statutory row with dad, and, at the end, the inevitable dose of reality: Duckworth gets to meet Holly, who dismisses him as a creep.

This is a New Vic production, borrowed by Greenwich and will probably tour the country giving pleasure to many with its echoes of the 1950s—references to David Whitfield and Alma Cogan, frothy coffee and Penguin bar. Apart from Duckworth everyone is a caricature, although Anna Lindup, as the long-suffering girlfriend, and Colin Starkey, as the coffee-bar owner with Mario Lanza fantasies, bring zest to their characters.

The very lack of pretension is the play's charm, but it is worrying that there is felt to be no need for a plot. It is also pure exploitation in advertising his fresh-as-ever songs are just the tangy dressing to what would have been otherwise some uninspiring left-overs.

A new British film company

A new British film production company has been formed by producer Don Boyd with funding from Virgin Films, World Wide Visual Entertainment and the French-based Les Productions Belles-Rives. Four films are planned by the grouping, the first of which, *'Homage to Barcelona'* at the Hayward

Heroine, starring Oliver Reed and Irina Brook, starts shooting in September. It will be produced by Boyd and is written and directed by Paul Mayersberg. The other films will be produced by David Putnam, Jeremy Thomas and Michael Hamlyn. All are budgeted at under £2m each.

There will be works by Picasso, Gaudi, Miró and Dalí as well as Spanish architects such as Domènec, Puig i Cadafalch and Josep Lluís Sert. Prepared in collaboration with Catalonia and Barcelona, the exhibition is sponsored by SEAT.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

August 23-29

Music

NEW YORK

New York Philharmonic: The 21st season of free outdoor concerts in public parks include fireworks for Zin Mehta conducting Beethoven, Bisset, Tchaikovsky and Puccini (Tue in Prospect Park, Wed in Van Cortlandt Park and Wed in Seaside Park, Bridgeport).

Tanglewood: Boston Symphony, conducted by Seiji Ozawa and John Williams. Tchaikovsky (Tue), Mahler (Wed), Hagegard, baritone recital with pianist, Warren Jones, Schumann, Grieg, Sibelius, Stenhammar, Brahms (Thurs). Lenox, Mass (413) 537-1800.

TOKYO

The Salt Lake Mormon Tabernacle Choir: Puccini (Mon), Shostakovich (Tue), Mahler (Wed), Strauss, Gounod, Shows Women's College, Hifumi Memorial Hall (Tue), (203) 1951-2379990.

LONDON

London Sinfonietta conducted by Simon Rattle with Ronald Brautigam, piano. Gershwin, Copland, Ives and Bernstein. Royal Albert Hall (Mon), (505) 82121.

Villa Lobos and others. Queen Elizabeth Hall (Mon), (023) 3131.

BBC Symphony Orchestra and Singers conducted by David Atherton. Royal Albert Hall (Tue).

Royal Philharmonic Orchestra conducted by Uri Segal with Vladimir Ashkenazy, piano. Royal Albert Hall (Tue), (023) 38891.

City of London Sinfonia conducted by Richard Hickox with Jill Gomez, soprano and John Williams, guitar. Vivid, Berlin and Villa Lobos. Queen Elizabeth Hall (Wed).

Royal Liverpool Philharmonic Orchestra conducted by Marek Janowski with the Michael Thompson Horn Quartet, Wagner, Schumann, and Janacek. Royal Albert Hall (Wed).

Andrei Gavrilov, piano. Programme includes Bach and Scriabin. Queen Elizabeth Hall (Thurs).

BBC Symphony Orchestra conducted by Sir Charles Groves with Jesse Norman, soprano. Wagner, Faure, Chausson and Brahms. Royal Albert Hall (Thurs).

Amsterdam, Nieuwe Kerk (Dance Square). Organ recital by Bernard Winstein. Grigny, France, Guilman (Thurs).

Scheringen, Circus Theatre. The Bank Musfest 1985. Kenneth Montgomery conducting the Radio Chamber Orchestra, with vocalists Ely Ameling, Hilda Harris, Hans Peter Blochwitz, Rudi van der Meer, and Han de Vries, oboe. Mass in G (Wed). St John Passion (Thurs), (505) 8800.

Maestri, various churches. The Euro-Festival of Religious Music. Musica (Mon), Gensalo Consort (Tue), Camerata Amsterdam (Wed), The Amsterdam Baroque Orchestra, conducted by Ton Koopman (Thurs), Lunchtime concerts by Cecilia Flamenco (Mon), Roudon Quartet (Tue), Limburg Vocal Ensemble (Wed), the Aachen Junge Chor (Thurs), (0222) 22.

SPAIN

Santander, Plaza Portuñada. New York City Ballet, starring Senn Avey, Merrill Ashley, Lourdes Lopez, Judith Fugate, Walinda Roy, Peter France and Kipling Houston, in a homage to Balanchine, choreography by Peter Martins (Wed, Thurs), (2105) 06.

New York City Opera (NY State): The week festival. André Serant's new production of Norma, conducted by Richard Bonynge with Olivia Stapp in the title role and Robert Grayson as Pollione. Other performances include *Manon*, conducted by José Serant, in *La Capricieuse*, production last seen in 1980, as well as *Turandot* and *Carmen*. Lincoln Center (870) 5580.

CHICAGO

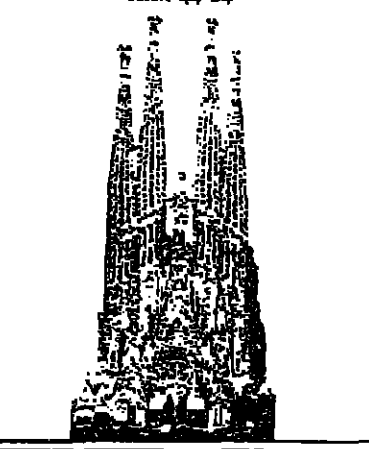
Bavaria Festival (Murray Theatre): The Hubbard Street Dance Company, a local favourite, performs a week of mixed programmes from their varied repertoire as part of a special Festival of American Dance. Highland Park (726) 4842.

TOKYO

Shakki (Classical Indian dance): The Raven, a piece combining classical Indian dance and creative dance. Shakki enjoys a high reputation in Asia. Yubin Chokin Hall (near Tokyo Prince Hotel), (Thurs), (400) 0259.

Special Subscription Delivery Service of the Financial Times in Barcelona

For further information contact International Press Service Madrid Tel Madrid 733 95 48 Telex 44724



If you can't find a decent room anywhere, Diners Club can always put you up in the east wing.

There are usually more than enough problems to cope with when you're abroad on business without the unusual ones.

Like discovering the Berlin Fashion Fair is on. And there's not a decent hotel room to be had in the whole city.

Yet another situation where Diners Club can help.

Diners Club can help you find a good hotel room not a couple of kilometres from the city centre.

And it could prove a most interesting experience. Because the hotel in question is in East Berlin.

Your room can be booked while you relax with a complimentary drink in the Diners Club Lounge at Berlin Tegel airport.

A car will take you via Checkpoint Charlie to the hotel. (Always assuming you're not *persona non grata* on the other side).

You can pay for both the car and the hotel with your Diners Club Card.

Unique network

Besides Berlin there are lounges at Frankfurt and Düsseldorf airports, and from October, Hamburg. Diners Club is the only card with an international network of airport lounges. As well as lounges at Frankfurt and Hanover Trade Fairs.

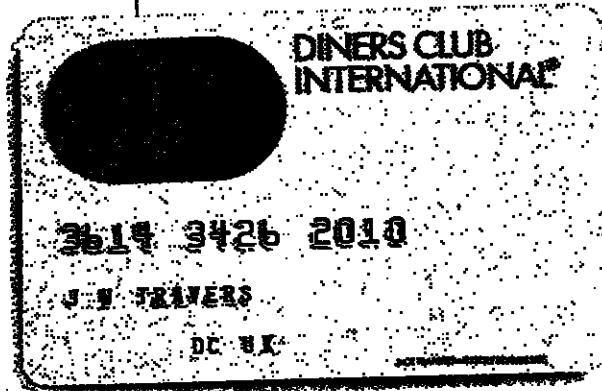
Of course, you don't have to be in a jam before the Diners Club Card comes into its own.

Diners Club's bread and butter is smoothing the way in the normal course of business.

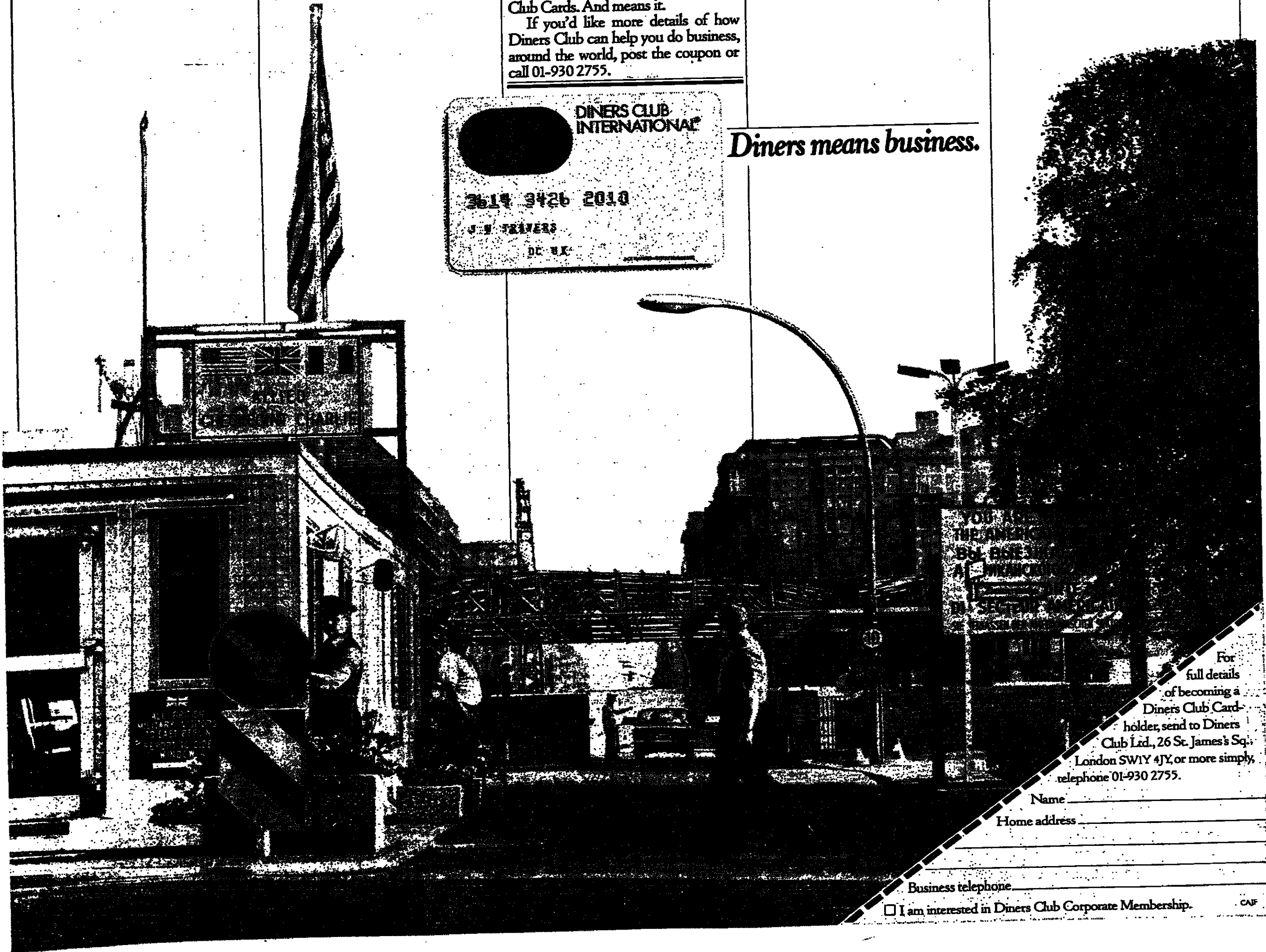
And not only in Germany.

It says International on all Diners Club Cards. And means it.

If you'd like more details of how Diners Club can help you do business, around the world, post the coupon or call 01-930 2755.



Diners means business.



For full details of becoming a Diners Club Cardholder, send to Diners Club Ltd., 26 St. James's Sq., London SW1Y 4JY, or more simply, telephone 01-930 2755.

Name _____

Home address _____

Business telephone _____

☐ I am interested in Diners Club Corporate Membership.

CAF

John Edwards looks back on 19 years of writing about commodities

Scandals, computers and cartels

"THE RUSSIANS are buying millions of tons of grain," said the hoarse voice with a strong foreign accent. "The market will explode shortly."

"Who are you?" I asked.

"Are you sure? There's been no rise in grain prices in Chicago."

"My name is John Smith, and I was recently with the Soviet grain buying delegation in the U.S.; they have been negotiating huge purchases of grain, I can assure you."

"Oh," I said doubtfully. "Thank you very much, Mr. Smith. I'll check with market sources for confirmation."

Then I talked to the editor of a Kansas grain magazine who had been given a similar story by a John Smith purporting to be representing the Financial Times. Nowhere could I find any corroboration for Mr. Smith's claims.

Thus I missed what would have been a marvellous scoop—advance warning of the great Russian grain "robbery" in 1972 when the Soviet Union, playing off one grain company against another, bamboozled the U.S. Government into subsidising the sale of its entire grain stockpile at knock-down prices just before the failure of the Russian harvest.

But with hindsight, there have also been some reaching changes over the past 19 years, some of them not always apparent at the time. They include:

- The collapse of the Bretton Woods monetary agreement bringing about fluctuations in exchange rates.
- The surge of investment interest in raw materials and the futures markets.
- The dramatic rise, and then the gradual decline, of the most powerful commodity of all—the Organisation of Petroleum Exporting Countries (Opec).
- Technological changes which have tended to boost production of raw materials, but have at the same time often slowed growth in demand.
- Vast improvements in international communications.

The whole world now knows almost simultaneously of any important political, economic, or climatic news.

• Growing dominance of the dollar as the sole reserve currency for trading in virtually all commodity markets.

All of these factors have had a variety of repercussions but more importantly they have undermined traditional supply-demand cycles.

Take two recent examples. In the grain market a surplus of supplies has depressed dollar prices, hitting U.S. farmers hard. But the low prices have not stimulated demand in the way that might have been expected: when translated into other local "weak" currencies grain prices actually went up rather than down.

Similarly in the gold market, while the dollar price rose and fairly stable, the cost of gold in countries with weak currencies rose sharply, mining companies in South Africa reaped bumper profits in Rand terms.

The constant fluctuations in exchange rates have also undermined attempts by producers and international organisations to stabilise commodity prices.

Free market forces have triumphed. Producers have learned the hard way that the real price of a commodity, at least in the short term, is not what it costs to produce but what someone is prepared to pay for it.

Inevitably, this has meant that speculative investment, which is such an important part of the futures markets, has had an ever greater influence on the cost of basic raw materials—much to the frustration of producers, both in developed and developing countries.

It was not always thus. The initial success of Opec as a cartel encouraged producers of other basic raw materials to see whether they could not try the same thing. Cartels for copper (Cippec), tin (tinpec), bauxite and even bananas have been talked about, and may yet emerge some time in the years ahead. But the failure of Opec to control oil prices effectively has undermined the even greater problems that less well organised cartels would face. Moreover, the oil shock and the subsequent recession in the industrialised world caught producers in a vice-like grip from which they have yet to escape. Costs of production have gone up, while demand has fallen.

Debt problems are forcing many primary producers to step up exports in spite of falling prices, and a succession of good harvests have stilled fears of world shortages of raw materials and foodstuffs that have gone up, while demand has fallen.

The main problem now is dealing effectively with surpluses, finding ways to ensure that the grain stockpiles in rich countries are made available cheaply enough to people starving in developing countries. It is now clearer than ever that the rise in production has been outstripping the rise in consumption.

New technology, including the green revolution that helped boost grain yields substantially, has helped boost output of virtually all agricultural crops, particularly in developing countries where there is still scope for further considerable expansion.

Protectionist policies throughout the world have encouraged farmers to produce more, even at uneconomic prices.

Who would have thought, for example, 19 years ago that a small country like Britain would be transformed in the space of 10 years from being a leading importer into a leading exporter of grain?

On the other side of the coin, new technology has tended to reduce demand, in particular for traditional base metals. The miniaturisation of metal-using products—compare the size of a radio, computer or even a motor car today with 20 years ago—has reduced the volume used, while even greater inroads have been made by substitute man-made materials: plastics, optic fibres and silicon chips. In the late 1960s base metal producers planned ahead confidently on the assumption of annual growth rates in demand of between 5 and 8 per cent; now they are lucky if consumption rises by 1 to 2 per cent.

Ironically the Club of Rome's predicted date for the world reserves of mercury (quick-silver) being exhausted coincided with a huge glut of supply that brought prices crashing down.

The pattern of mercury consumption had totally changed. Cobalt, which soared in price during the late 1970s when there were fears of a shortage of "strategic" minerals developing as part of a resources war replacing the cold war, provided another example of the flexibility in demand. Under supply and price pressure, it was found that cobalt could be substituted in many instances, and it had previously been viewed as a vital, non-replaceable, material.

The "strategic metals" boom provided a field day for the unscrupulous get-rich-quick operators, who preyed on the ignorance and greed of investors.

Demand for foodstuffs has not been under the same pressure as metals, although new economic order in the industrialised world has in many cases reached saturation and the trend is towards "healthier" foods.

In the developing world, consumption of foodstuffs and raw materials has not expanded as fast as was previously expected. In many countries, faced with huge debts to pay, standards of living have declined.

The present prolonged depression in the primary commodity markets, reflecting a shift in basic supply-demand fundamentals, has effectively torpedoed the hopes of the developing world that it would use its dominance of raw material supplies to establish a new economic order. If anything, the reverse has happened.

The growth of the futures exchanges, and the vogue for seeking protection against inflation by investing in raw materials with a basic intrinsic value, has focused attention on the commodity markets.

Perhaps the best remembered incident was the attempt in 1974-80 by Texas billionaire, Nelson Bunker Hunt, and associates to corner the silver market. The story had everything: identifiable "villains" and victims, and widespread repercussions. Huge sums of money were involved. There was a sharp rise in the cost of photographic film (the biggest outlet for silver consumption), but the public had the chance to cash in on silver holdings of all kinds from coins to antique jewellery.

Equally dramatic, but over a longer period, was the rise in the price of gold from a fixed level of \$35 an ounce in 1968 to a free peak of \$850 in 1980 and then back down to \$300.

There was the mining and metals boom in the late 1960s and early 1970s. Who still remembers Poseidon, the nickel "wonder" share?

The silver coup that failed

President Carter's decision in 1980 to put an embargo on a large chunk of American grain sales to the Soviet Union, as a protest against the invasion of Afghanistan, changed the whole pattern of the international grain markets and had considerable political repercussions.

Looking back over the past 19 years, the main feature to leap out of the pages is the way in which the price "numbers" have changed.

In June 1985, copper was rising high at \$500 a tonne (now it is very depressed at just over \$1,000). Tin was \$1,370 (now about \$29,000). Coffee was \$264 (it has recently collapsed to around \$1,700 after reaching a peak of over \$3,000). Sugar was \$18.50 (\$80) a tonne.

At the same time day-to-day market influences appear to have altered out of all recognition. In the past, a strike on the Zambian copperbelt would have sent copper prices soaring on the London Metal Exchange. Now it might cause hardly a ripple.

Attitudes have changed, and improved communications have tended to help markets anticipate and discount supply-demand developments in advance.

Day-to-day fluctuations in prices tend these days to be controlled by the huge investment and speculative interests attracted to commodity markets as a way of protecting themselves against the devaluation of "paper" money either by inflation or currency changes. They are more interested in monetary developments, like interest rate changes, and computers and chart systems are the new guiding forces in the futures exchange.

A former editor of the Financial Times once claimed that writing about commodities was easy. You had to remember that what went up must come down, and vice versa. That still holds true. But I found even more useful to bear in mind, especially when dealing with promoters of commodity funds, charts and computer forecasting systems, an epigram attributed to Ralph Waldo Emerson: "The louder he talked of his honour, the faster we counted our spoons."

Lombard

The real fear in the way of EMS

By Samuel Brittan

THERE IS more support than generally realised inside the British Government, and even in the Treasury, for British membership of the exchange rate mechanism of the European Monetary System. A lesson that has been increasingly drawn from the unreliability of the monetary indicators and the gyrations and uncertainties of monetary policy over the past year, is that the best "intermediate" objective for monetary policy may be an exchange rate one. That being so, the EMS is regarded as the single and most comprehensible objective which would enjoy the widest support—and also the most practical way of locking many otherwise "vest" politicians into support for financial policies which do not accommodate inflation.

But before EMS supporters throw their hats into the air, they should note one frequently overlooked objection to early British membership. This is the difficulty of maintaining any reasonable sterling EMS parity during the bouts of speculation against sterling which are likely to occur in the next two or three years. Unless and until some way is found round this obstacle, government supporters of membership will hesitate before embarking on the formidable effort which will be required to overcome the instinctive reluctance of the Prime Minister to join.

There is nothing particularly tedious in supposing that the prospect of a Labour Government could hit sterling fairly hard.

A subtlety, not always realised, is that Labour does not need to retain its present poll lead for a pre-election run on sterling. Even if there were a strong recovery in Conservative prospects, the temptation to move funds out of the control of the British Government before an election "just in case" would be very strong. After all, they could always moved back afterwards if the Conservatives won, or if a non-Conservative government turned out not so bad as the market feared.

Obviously the Conservatives would try to blame Labour for such a run on sterling and make political capital out of the fact.

They would not necessarily succeed. Articulate public opinion is surprisingly sensitive about headline falls in the pound and resistant to excuses and rationalisations. But irrespective of propaganda the Government would have to decide what to do.

The problem would still be there outside the EMS. On the principle of spreading the pressure, the Treasury's inclination would be to allow some fall in the exchange rate and some increase in interest rates.

This is hardly an inviting pre-election prospect. But it is less bad than having to take all the pressure on interest rates which might be subject to really swinging increases if the humiliation of one or more EMS devaluations in the run-up to the election is to be avoided.

Supporters of the EMS who think they know a way around this problem should write not to me, but either "To the Editor" or the Chancellor or one of the Treasury's knights all of whom have a larger staff for processing correspondence than I can hope to command.

My own view is that the Government could usefully be much more open about its exchange rate objectives without joining the EMS. But if it does want to join, its best bet might be some understanding "behind the Speaker's chair" with the one political group long committed to the EMS, namely the Alliance. The Alliance might not share the Government's judgment about the exact party at which to join, yet I doubt if in practice the difference would be large. Although anything can happen under the bizarre UK electoral system, it is rather unlikely that Labour would have enough seats to overthrow a Conservative-Alliance front on the issue, whoever formed the government.

No doubt there will in any event be "responsible" speeches on sterling by Roy Hattersley and even Neil Kinnock. But without some Alliance-Conservative understanding—which would not prevent the two groups battering each other to bits over other issues—the pre-election pressures on an EMS party could still turn out to be insurmountable.

The rating system

From Mr C. Watkinson
Sir—Your leader "Tread warily on rates" (August 19) implies that many Conservatives, including Ministers, believe that "since rates can be put on a rational basis, they should be abolished." But it is far from being the case that a rating system cannot be natural and rational. It should satisfy three basic requirements. It should be just; it should be practical; and its effects should be beneficial to the community. The concluding suggestion in your leader, "a property tax" answers these requirements, and I would define it more precisely as a site value tax such as is already in operation in various parts of the world, including Pennsylvania, U.S., South Africa, New Zealand, Australia, etc.

Site value rating exempts buildings and improvements, and assesses the value of the site alone. It is based upon recognition of the essential difference between values created by the community as a whole, and values created by individuals. Take my own house as an example. Its present value stems from its being well maintained, and from improvements made to it by myself. This is an individually created value. But the value of the site is a different matter. It is a situation value, a community created value. We are well served by public transport. We have several schools nearby. A children's hospital is within five minutes walk, and a general hospital within five minutes by car. Behind the house is a school sports ground, and beyond that, a golf club. I, as an owner occupier, enjoy the benefits of these facilities, and if I wished to do so, could realise them in cash by renting or selling the property. Now I did not put the schools there, nor the golf club, nor did I provide the bus services. The community as a whole provided these services which make my site valuable. Is it not, then, right and proper that I should pay to the community according to those values created by me?

The survey made by the Rating and Valuation Association in 1963, and the revaluation made in 1973 at Whitstable, demonstrate that site value rating is entirely practicable. Land value maps can be printed and circulated so that assessments can be compared, and justice seen to be done.

Because buildings and improvements would not be assessed, owners would be encouraged, and not penalised, to improve their property, as is the case under the present system, and this is to the benefit

Letters to the Editor

of the neighbourhood as a whole. Surely site value rating is rational in every way. It is just, practical, and generally benefits the community. There is no reason why it should not be introduced as soon as possible.
C. W. F. Watkinson,
121 Leyfield Road,
Liverpool.

Currency options

From the Chief Dealer, Options, Barclays Bank.

Sir—Mrs C. Furse (August 19) makes the sweeping statement that "Quite simply, over the counter options are considerably more expensive than exchange traded options." From this doubtful premise she goes on to favour exchange traded options over OTC options.

In my experience OTC options have, in the majority of cases, proved to be cheaper than exchange traded options especially after including the high brokerage charges involved.

It seems to me that individuals and corporations looking for a genuine hedge for their currency exposure are much happier with the more precise cover offered by OTC options. Exchange traded options may in some cases be more attractive to the professional trader in options who can manage his margin requirements, or even to the pure speculator but they are not necessarily cheaper even to this specialist group.
S. K. Maslounian,
29 Gracechurch Street,
E.C.3.

Mortgage interest relief

From Margaret Wilkinson

Sir—One of your correspondents of August 21 (I have lost the paper and his name) concludes that the Government loses no revenue from the existence of mortgage interest relief because the tax reduction he receives means that he spends more, hence incomes are higher, hence the Government receives tax on these incomes. This I think has his argument.

Let us for simplicity assume that he has a small endowment mortgage of £10,000 and that the rate of interest is 10 per cent, the gross interest he owes the building society is £1,000. Before MIRAS he would have

paid out £1,000 and his income tax bill would have been £300 less than otherwise (assuming that he is a basic rate taxpayer). Since MIRAS pays only £700, his building society receives £300 from the Treasury. (Money is actually paid out from the public sector to the building society, this "tax expenditure" seems like a direct subsidy to me.)

In either case he is £300 better off in the year. Let us assume that he spends all this on goods and services. He may, for example, buy a Japanese TV, the Government will receive VAT but most of the money will go out of the country. Or suppose he employs someone to help in his garden: even if his employee is honest and declares this income, he could be below the tax threshold and in any case would not pay 100 per cent tax.

It is clear that the Government does not recoup the revenue lost because of the existence of mortgage interest tax relief. Much of the tax savings are spent in the private sector and stay there, or go abroad. Margaret Wilkinson,
7, Moor Drive, Leeds.

Flavour buds at work

From Shirley Anderson

Sir—John Cherrington (Aug. 20) states that there is no evidence to support the idea that organically grown produce is more nutritious or better tasting than that produced under intensive modern systems.

As an organic gardener, may I offer some observations as to why organic gardeners and non-organic farmers are always in disagreement upon this point? Nearly everyone who owns a vegetable plot possesses a compost heap, but not necessarily because they garden organically, but just in preference to burning weeds, and eventually compost will be incorporated into the soil.

Any freshly picked vegetable will have a higher nutritional content and better flavour than one which has been picked, created, transported and left lying in a shop for several hours.

Nutrition and flavour are always lost when dirty vegetables, especially carrots, are soaked and scrubbed prior to selling them pre-packed.

Private individuals are free to plant non FI hybrid varieties, which do have more

flavour. Commercial farmers plant FI varieties because they offer maximum return on investment and conform to non gardening customers' think vegetables should look like.

I do believe that compost has a beneficial effect on soil and commercial farmers have nothing to lose by adding some to their land. Organic however does not necessarily mean superior. I have seen health food shops selling vegetables in such a diseased and deteriorating condition that I wouldn't even consider them fit for the compost heap.

Shirley E. Anderson,
34 Dacey Drive, Hollingdean,
Brighton, Sussex.

Basket of goodies

From Mr K. Bryan

Sir—Said to say, Guy de Jouvenel's High-tech-speak Lombard column (August 22) will probably spread the infection. Lost-for-words information technology men will find this basket of goodies irresistible.

Kenneth Bryan,
New Ground,
Aggington, Tring,
Herts.

Targeting the audience

From Mr N. Jeffery

Sir—I refer to your own promotional advertisement in your paper (August 20) and would seek enlightenment on how your target audience (defined as the FT on, say, a Thursday... or a Friday and ignoring the rest of the week) can possibly be expected to be reached on a Tuesday? Does the fact that a similar advertisement did not appear in Wednesday's FT indicate wisdom after the Tuesday event?

For your interest and comfort we take two copies of your paper daily.
N. T. Jeffery,
B & R Carpet Company,
104-106 Burghley Road, NW5.

A daily fix

From Susan Hunter

Sir—I refer to your own advertisement in the edition of (August 20). If you need to boost your circulation may I remind you that 51 per cent of the population are women. I am not a once-a-week man but an FT six-times-a-week woman. So do I not merit a comment?

Susan Hunter,
3, Borth House,
30, Lansdowne Walk, W.11.

This announcement appears as a matter of record only.



C.T.S.B. Leasing Limited

£100,000,000

Revolving Acceptance Facility by Tender

guaranteed by

Central Trustee Savings Bank Limited

arranged by

S. G. Warburg & Co. Ltd.

Underwriting Banks

Algemene Bank Nederland N.V.

London Office

Standard Chartered Bank

Banque Belge Limited

The Chuo Trust and Banking Company, Limited

The Daiwa Bank, Limited

The Mitsubishi Bank, Limited

The Mitsui Trust and Banking Company, Limited

The Taiyo Kobe Bank, Limited

The Industrial Bank of Japan, Limited

London Branch

Banco di Roma

Crédit Agricole

The Dai-ichi Kangyo Bank, Limited

Dresdner Bank Aktiengesellschaft

The Mitsui Bank, Limited

The Sumitomo Bank, Limited

S. G. Warburg & Co. Ltd.

Yorkshire Bank PLC

Tender Panel Members

Algemene Bank Nederland N.V.

London Office

Banco di Roma

The Chuo Trust and Banking Company, Limited

Deutsche Bank Aktiengesellschaft

The Industrial Bank of Japan, Limited

The Mitsui Bank, Limited

The Saitama Bank, Ltd.

The Sumitomo Bank, Limited

American Express Bank Ltd.

Banque Belge Limited

The Dai-ichi Kangyo Bank, Limited

Dresdner Bank Aktiengesellschaft

Lazard Brothers & Co., Limited

The Mitsui Trust and Banking Company, Limited

The Sanwa Bank, Limited

The Taiyo Kobe Bank, Limited

Yorkshire Bank PLC

A P Bank Limited

Crédit Agricole

The Daiwa Bank, Limited

The Fuji Bank, Limited

The Mitsubishi Bank, Limited

N M Rothschild & Sons Limited

Standard Chartered Bank

S. G. Warburg & Co. Ltd.

Tender Panel Agent
S. G. Warburg & Co. Ltd.

August, 1985

Always specify the best
Abness
office furniture
Tel 01-574 6961

FINANCIAL TIMES

Tuesday August 27 1985

electronic
wire and
cable
ANIXER
Telephone: 01-588 1661 Telex: 291308

Hanson Trust's \$745m bid for SCM rejected

By William Hall in New York

SCM Corporation, the New York-based conglomerate, has firmly rejected the \$745m bid from Hanson Trust, the UK group, but has indicated that it is up for sale at the right price.

SCM shares jumped by another \$24 to \$88 yesterday after the company's weekend announcement that Hanson Trust's \$60-a-share cash offer was "inadequate and is not in the best interests of the company or its stockholders."

"The board of SCM believes there could be a much better deal for its stockholders, employees and all the other members of the SCM family," the company said in a brief statement from its headquarters on New York's Park Avenue. The SCM board has instructed management to work with Goldman Sachs its investment banker, to explore alternative transactions to seek to maximize value to SCM shareholders.

Among the possibilities being considered is a management-led leveraged buyout of the company, which at current share prices is worth around \$850m. Before Hanson made its bid on Wednesday, SCM shares were trading at \$55.

Hanson Trust began its cash tender offer yesterday but Wall Street analysts noted that the British company would have to raise its offer substantially if it wanted to acquire SCM, profits and cash flow of which are poised to rebound strongly over the next few years.

Hanson Trust gave no indication yesterday of its future intentions towards SCM. Mr Chris Gunter, a Hanson official, said: "Our offer is on the table and speaks for itself."

Neither Lord Hanson for Sir Gordon White, head of Hanson's U.S. operations, have yet met SCM's chairman, Mr Paul Elicker, despite having requested a meeting.

Although SCM's recent financial performance has been disappointing, several Wall Street analysts argue that the company is poised to improve its profitability sharply and that might mean that Hanson might have to offer over \$70 a share if it wishes to win the day.

Mr Ernest Klehne, the senior investment officer of Baltimore-based Legg Mason, said yesterday that he thought that SCM would earn between \$6.50 and \$7 a share in the current financial year and that would rise to \$7.50 to \$8 a share in 1986/87.

He said the company's revenues might top \$3bn and it might be earning \$10 a share in three years' time. He noted that it had a very strong cash flow, and its technology in its important titanium dioxide business, where it is the third biggest producer in the world, was among the most advanced in the world after Du Pont.

Black miners' strike looms in S. Africa

Continued from Page 1

report of the Reserve Bank, published this week, shows that foreign investors made net sales of securities totalling R238m (\$85m) in the second quarter of the year, reversing the trend of the previous nine months when they had been net purchasers.

Although no official figures are available since the end of June, Johannesburg stockbrokers estimate that the net outflow exceeded R100m in the week after the declaration of the emergency and has since escalated.

However, total long and short-term capital outflows in the second quarter fell sharply to R8m from R245m in the first quarter, the Reserve Bank said.

The bank's report for the year ended June 1985 says that the current account balance of payments moved to a surplus of R5.4bn in the second quarter of 1985 from a deficit of R2.8bn in the corresponding period of 1984.

Reagan ready to block curbs on shoe imports

By Stewart Fleming in Washington

PRESIDENT RONALD Reagan is poised to reject the recommendation of the International Trade Commission to curb shoe imports into the U.S., a decision seen in Washington as a key indicator of how the White House intends to respond to the protectionist bandwagon which is expected to gather pace in Congress in the autumn.

But in a bid to head off the political criticism, which his decision on shoe imports will inevitably provoke, the White House is hinting that the review of trade policy, now under way within the Administration, will result in a decision to take a tougher stance in enforcing U.S. trade laws.

Questioned about U.S. trade policy yesterday White House spokesman Mr Larry Speakes said: "The

President has always coupled free trade with fair trade and we will certainly be taking a close look at those countries and those cases in which unfair trade practices are used to harm U.S. industries. We will look at it closely and be prepared to take steps in those areas."

He emphasised that no detailed consideration had yet been given to what actions the Administration might take.

Brazil, Taiwan and Italy would be among the countries affected by any curb on shoe imports.

Mr Speakes said that the President's decision on shoe imports might come as early as Wednesday and certainly by Thursday in order to meet the legal deadline, which calls for publication of the ruling on

Friday. Trade officials said that Congress could override the President by a majority vote but that such a vote could be vetoed by the White House, requiring Congress to override the veto by a two-thirds majority.

Democratic Party political strategists are already preparing to make trade a central political battlefield over the next year and the shoe decision is the first White House decision they are taking aim at.

In the party's official response to President Reagan's radio broadcast on Saturday, Senator James Sasser of Tennessee said that if the President failed to curb shoe imports, "he will in effect be declaring unilateral disarmament in the intensifying battle for world trade."

UK Treasury plans £4bn cuts to offset extra cash demands

By Max Wilkinson, Economics Correspondent, in London

THE UK Treasury has completed plans for about £4bn (\$5.56bn) of public-sector economies for next year, to offset demands for extra cash from spending departments.

Some of the cuts will be contested, but the Treasury acknowledges that in many cases the extra bills will have to be paid. They arise, for example, from higher-than-expected inflation, rising unemployment or demand for health care.

A series of tough negotiations with spending ministers is now expected, but at the end of it the Treasury believes it will be able to hit original planning target of £13bn for 1986-87.

However, it is almost certain that the unresolved disputes between the Treasury and spending ministers will have to be referred to a "star chamber" of senior ministers before a final decision in Cabinet in October.

Informal agreement has already been reached by officials about ways of squeezing out some of the £4bn excess from the total. However, the formal series of bilateral meetings between ministers cannot start until after the Cabinet reshuffle expected early next month.

Mr Peter Roper, the Treasury Chief Secretary, and the linchpin of the spending negotiations, is widely expected to be replaced then.

Whoever is in charge, ministers are certain to be told that there is no room for any slippage from next year's spending total if they want to be able to offer the electorate worthwhile tax cuts in the next couple of years.

Next year, for example, government oil revenues are likely to fall off sharply from the £13.4bn that the Treasury predicted for 1985-86 at the time of the budget. The rise in sterling and weakening oil prices might quickly erode the £3.4bn tax cuts pencilled in for 1986-87.

However, the Treasury starts this year's spending negotiations with £13bn in hand from a reserve that is far larger than in previous years. The last public-spending White Paper (policy document), in February,

set the reserve for the current year at only half that amount, although it was later increased in the budget. Some of the increased spending bids may be paid straight out of the reserve, but the Treasury will be anxious to keep about £5bn of it intact to meet genuinely unforeseen contingencies.

Some spending departments, including Defence, will probably be told to try to make economies next year, with an assurance that there will be some money available if they are genuinely unable to do so.

The effect of the miners' strike, which pushed last year's borrowing more than £3bn over its target, is likely to add about £500m to this year's total, although ministers have yet to decide how much extra nationalised industries will be allowed to borrow.

Nevertheless, this year's £5bn reserve is expected to be adequate to deal with that and other overruns, and ministers are reasonably confident that this year's borrowing target of £7bn can be met.

Background, Page 4

AEG raises stake in Olympia equipment subsidiary to 99%

By Jonathan Carr in Frankfurt

AEG, the West German electricals concern, has resumed virtually full ownership of Olympia, its office equipment subsidiary, after three years of holding a 51 per cent stake.

The move is thought to reflect AEG's own improved financial condition and its belief that Olympia is firmly on the road to profit after years in the red.

AEG said it had acquired 48 per cent of the Olympia stock held by the Gesellschaft für Elektrische, a consortium of the Bosch electricals concern and three banks. One bank retains a 1 per cent stake.

The consortium took its 49 per cent share three years ago when AEG was struggling against the mounting debt burden that finally forced it to seek court protection from its creditors.

AEG is back in the black, producing an operating profit last year of DM 100m (\$36.2m) on world sales roughly stable at DM 11bn.

Olympia was one AEG division sold in the red in 1984, with a loss in the world group of DM 70m and one of DM 53m in the parent company. But it is understood that the losses have been cut in the first seven

months of this year, on sales up by 9 per cent to DM 700m.

AEG feels that with a new leadership team installed at Olympia and with products that complement those manufactured elsewhere in the AEG group, the subsidiary will be back in profit in the next year or two.

AEG gives no details of the financing involved in its acquisition of the 49 per cent stake, but it says that it has not given up its holding in the communications company, Teleorman, as part of the deal.

More spy suspects in Bonn

Continued from Page 1

Herr Tiedge was West Germany's most senior active counter-intelligence official. He would possess detailed knowledge of most of Bonn's efforts to counter espionage in West Germany and, according to one official in Bonn, a "catastrophic" amount of information on Western operations in East Germany.

Hopes that he may only recently have decided to defect were further dented yesterday when the Interior Ministry announced that, after starting work in counter-intelligence in 1968, he protested loudly when transferred to another branch of the intelligence service in 1976.

He complained until being moved back to counter-intelligence in 1978. The arrest on Sunday of Frau Hoeke, secretary to the chief of one of the divisions in the Office of the President, has sent further waves of panic through the Government.

She worked in "division two" in the presidency, which was responsible for foreign affairs, defence and security.

Herr Richard von Weizsäcker, the President, is largely a figurehead but the receives regular level information from the Government. It is feared that Frau Hoeke, who worked in the presidency for more than 20 years, would have had access to diplomatic reports from the East bloc as well as reports from the Federal Security Council, a cabinet-level body which is the most secret council in the country.

Herr Tiedge and Herr Tiedge's defection came after three other defections from the Bonn government, chief secretary for 12 years to Herr Martin Bangemann, the Economics Minister, Frau Ursula Richter, a bookkeeper to a powerful right-wing political lobby in Bonn

and who is suspected of running a spy network in Germany; and Herr Lorenz Bitting, a military messenger who once worked in the Government's secret atomic bunker southwest of Bonn - in the past three weeks.

Herr Tiedge was heading investigations into these disappearances before he defected.

Chancellor Kohl, who is understood to be enraged by the scale of the scandal, is thought likely to demand the resignation of the chairman of the federal intelligence service (BND), Herr Herbert Hellensbach.

Herr Hellensbach, who has only been head of the BND for a month, was Herr Tiedge's immediate boss in counter-intelligence and he has admitted to being warned on three occasions that Herr Tiedge's alcoholism was becoming a security threat.

Warner to sell TV units to Viacom for \$500m

By Terry Dodsworth in New York

WARNER Communications, the U.S. entertainment group, has agreed to sell a package of its television interests, including its stake in the MTV music video company, to Viacom International, a leading U.S. cable TV operator.

The deal will give Warner \$500m in cash, with warrants that would allow Warner the option to buy up to 2.2m shares in Viacom, amounting to about 12 per cent of the cable group's equity. Also included in the purchase price is Warner's 31 per cent interest in Showtime - the Movie Channel, which owns two pay-television services.

The agreement brings to an end a series of complicated negotiations over MTV, which is two-thirds owned by Warner Amex, the cable television group held jointly by Warner Communications and the American Express financial services group. Warner recently reached agreement to purchase the half share in Warner Amex that it does not already own, thus opening up the way to the disposal of the MTV unit.

Until last week, the front runner in talks over MTV appeared to be Forstmann Little, which had proposed to take MTV private in a buy-out agreement at about \$470m. Forstmann withdrew its offer last week, however, apparently because it wanted complete control of MTV, whereas Warner wanted the option to retain an interest in the music video concern.

Viacom said yesterday that it was also proposing to acquire the one-third interest in MTV networks currently held by the public at a cash purchase price of \$33.50 a share, provided the necessary consents were obtained.

Warner's share options in Viacom are exercisable at \$70 a share for 1.6m shares, and \$75 a share for 625,000 shares. Viacom's shares closed at \$504 on Friday.

Brazilian finance chiefs quit

Continued from Page 1

deal with the IMF and creditor banks as soon as possible, they found their way constantly blocked by the Planning Ministry's reluctance to compromise growth by making deep cuts in public spending.

Watching from the sidelines, the business and banking community had pinned its hopes for a decline in inflation, currently running at 230 per cent a year, on the Finance Minister staying in his post.

Privately, leading Brazilian and foreign industrialists had expressed their fears in recent days that the departure of Sr Dornelles and his ideological ally, Sr Roberto Guzman, the Industry and Commerce Minister, would send the inflation rate soaring again. After declining modestly over the past few months, monthly inflation is expected to be back in double figures this month.

Sr Dornelles, aged 50, is the nephew of the late Sr Tancredo Neves, Brazil's President-elect who died before he could take office. A tax specialist, he was appointed by his uncle as the "sheriff" of the economy to clean up the disarray left by the former military government.

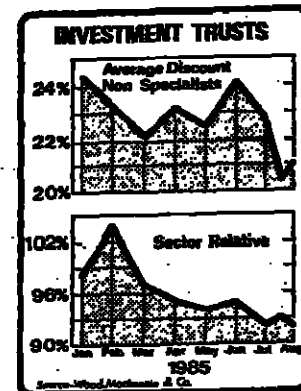
Peter Montagnon, a London adviser to the Brazilian government, said: "Efforts to keep Brazil's foreign payments flowing until an agreement is reached with the IMF could be jeopardised by the resignations, bankers said yesterday."

Main bank creditors last week agreed a temporary breathing space from debt repayments until January 17 to allow IMF negotiations to continue, but this agreement, which includes a commitment to keep \$18bn in short-term credit lines available to Brazil, has not yet been endorsed by all creditors.

While affirming his belief in the innocence of all five French agents under arrest in New Zealand or wanted by the New Zealand authorities, Mr Tricot said that his judgment was based on the "current state of our knowledge." In the case of Commander Maffart and Captain Prieur, he conceded that until the New Zealand authorities had completed their examination it was impossible "to pronounce with certainty" on the accusations against them.

THE LEX COLUMN

When trust is not enough



Source: Investment Trusts Association of the U.K.

This year investment trusts have had a lot going against them; sterling's strength and the disappointing performance of many overseas markets have meant that the sector has underperformed the All-Share Index by 7 per cent. Yet the average discount to net assets of investment trust shares has narrowed to its lowest in about ten years.

The apparent paradox is resolved by a glance at the frenetic activity within the sector: five bids are now in process, many managements are being ousted and several trusts are restructuring or uniting themselves. The sector is now crawling with speculators, hoping to buy into a trust at 70 or 80 per cent of asset value and to be taken out at 100 per cent. These short-term shareholders are extremely happy to be the subject of a bid. But others, whose holdings date back 15 or 20 years and have amassed punishing capital gains tax (CGT) liabilities, are not quite so thrilled.

Takeovers

The activity has been building up in the last few years, almost exactly mirroring the changes taking place in the City. The 24-day-a-week investment trust manager who made his investment decisions on Glen Eagles golf course has been finding it harder to count on the support of his institutional friends. Now that the performance of pension funds and insurance companies is under greater scrutiny, they cannot afford to watch their investment trust shares slip.

Some institutional shareholders have taken trusts over themselves; others have brought in bidders, or forced management changes or unitisation on sleepy trusts. Only in such a cosy sector could companies standing at a discount of up to 40 per cent of the value of their extremely liquid assets have survived so long.

Inasmuch as the threat of takeover is waking up managements, it must be good for shareholders. Trusts the size of which have bred complacency have been forced to realise that they are no longer immune, particularly when rich U.S. investment companies are looking for cheap assets to give them a foothold in international fund management. And the fact that some capacity is being taken out of a grossly oversupplied sector may help to

narrow the discounts still further. If all the current deals go ahead, the sector would shrink by up to £1bn or 5 per cent.

There is, however, some resentment among shareholders, particularly when - like Murray Growth, the most recent example - their trusts have been perfectly well managed and are just being raided for their high-quality assets. Gross funds and individuals who are not liable to CGT are almost always better off, since they are being offered a substantial premium to the share price. Usually there are enough of these to sway a bid.

But net funds and CGT-paying individuals can find that their tax bill is higher than their profit. When, as with Murray Growth, there is no paper alternative to the cash offer, they have no way of avoiding or spreading the CGT. This is a particular problem when the bidder is a pension fund with no shares to offer. The best a pension fund can do is to provide a loan note which investors can cash in over a number of years, although recently even that option has not been made available to shareholders.

When an industrial company bids for an investment trust as a disguised rights issue - buying the trust with paper and cashing in the assets - the CGT problem may be overcome, but the trust's investors are left with shares of one company rather than the spread of risk that attracted them to the trust in the first place.

Even good managers are not immune. The fittest cannot always expect to survive in the investment trust sector - often they become the most attractive targets because of

the portfolios they have built up, particularly in unquoted companies. When it comes to mounting a defence, individual shareholders might feel a certain amount of sentimental attachment to managers who have done them well, but it is hard to argue against an offer of 100 per cent of net asset value when the shares stand at a discount. They can hardly hope to swing local MPs to protect the jobs of their Japanese stockpilers. And however good a management is, it can scarcely ever drag its shares above, say, a 10 per cent discount while supply of general investment trusts still exceeds demand.

Whatever the case against corporate activity there are no signs of its slowing down, although the cast of bidders appears to be changing. The age of the disguised cash call may be over because existing shareholders resent not being offered the chance to participate. And there cannot be that many pension fund trustees willing to undertake the bother and publicity of a bid.

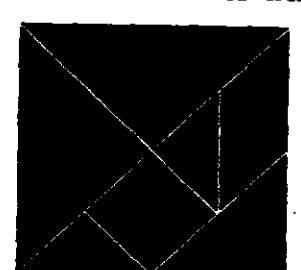
Invasion

The bulls are convinced that the American invasion has only just begun. The U.S. investment trust sector has already been stripped to the point that discounts are now as low as 2 per cent. UK investment trusts must be attractive in the short term for their break-up value or as an arbitrage tool. A company could go short of the U.S. equities in an investment trust's portfolio, buy the trust at a discount and deliver the (cheaper) securities. Alternatively, those American institutions with an eye to a presence in the new City might see the acquisition of an investment trust as a cheap way of moving into the fund-management game, and even selling their expertise back to American investors.

If portable pensions or tax incentives for saving were introduced in the UK, demand from individual investors ought to help discounts to narrow. Optimists also hope that the wider share ownership encouraged by offerings like E1 might reignite individual investors' interest in investment trusts. But while investment trusts are not allowed to advertise or to offer stockbrokers a commission for introducing investors in the way that their unit trust rivals do, the odds are always going to be stacked against them.

DEALING WITH DEALING

SEMINAR - 17TH SEPTEMBER 1985



"Dealing with Dealing" is an intensive one-day seminar providing a platform for discussion and exchange of information on a subject of vital concern to the City. The challenge facing those responsible for the effective and profitable operation of dealing rooms is how to obtain and sustain a competitive edge by making the best use of the three primary resources involved: people, information technology, and the work environment.

Trickett Associates in conjunction with Price Waterhouse have combined their knowledge and skills to address these major issues.

"Dealing with Dealing" will address in a practical way how to: accommodate today's information systems, provide for delivery of anticipated services, incorporate new systems and new equipment at the dealing desk, and organise for a major upgrade of facilities.

How To Participate

We look forward to your participation. Please telephone or write for registration details: Claire Newman, Trickett Associates, The Factory, 84 Marchmont Street, London WC1N 3PE. Telephone: 01-368 6966

LOCATION

"Dealing with Dealing" will be held on 17th September at the City Conference Centre, 76 Mark Lane, London EC3. The cost per delegate is £175 + VAT of £26.25 (total £201.25).

World Weather

| Area | °C | °F | Area | °C | °F |
|-------------|----|----|-------------|----|----|
| Alaska | 24 | 75 | Denmark | 15 | 59 |
| Algeria | 21 | 68 | France | 15 | 59 |
| Argentina | 18 | 64 | Germany | 15 | 59 |
| Australia | 22 | 72 | Italy | 15 | 59 |
| Bahamas | 28 | 82 | Japan | 15 | 59 |
| Bangladesh | 28 | 82 | Kenya | 15 | 59 |
| Belgium | 15 | 59 | Madagascar | 15 | 59 |
| Bolivia | 15 | 59 | Mali | 15 | 59 |
| Brazil | 15 | 59 | Mexico | 15 | 59 |
| Bulgaria | 15 | 59 | Morocco | 15 | 59 |
| Canada | 15 | 59 | Netherlands | 15 | 59 |
| Chad | 15 | 59 | Norway | 15 | 59 |
| China | 15 | 59 | Poland | 15 | 59 |
| Colombia | 15 | 59 | Portugal | 15 | 59 |
| Congo | 15 | 59 | Romania | 15 | 59 |
| Cuba | 15 | 59 | Spain | 15 | 59 |
| Czechia | 15 | 59 | Sweden | 15 | 59 |
| Dominican | 15 | 59 | Switzerland | 15 | 59 |
| Dominica | 15 | 59 | Taiwan | 15 | 59 |
| DRC | 15 | 59 | Tanzania | 15 | 59 |
| Egypt | 15 | 59 | Togo | 15 | 59 |
| El Salvador | 15 | 59 | Tunisia | 15 | 59 |
| Equatorial | 15 | 59 | Turkey | 15 | 59 |
| Ghana | 15 | 59 | Uganda | 15 | 59 |
| Guatemala | 15 | 59 | Ukraine | 15 | 59 |
| Haiti | 15 | 59 | USA | 15 | 59 |
| Honduras | 15 | 59 | USSR | 15 | 59 |
| Iceland | 15 | 59 | Yugoslavia | 15 | 59 |
| India | 15 | 59 | | | |

Bomb report clears French agents

Continued from Page 1

against those found responsible.

The right-wing opposition seems unlikely to pursue the affair much further beyond general accusations that the Socialists have brought France into ridicule. The right, when in power, supported the harassment of Greenpeace by the secret services and is a strong supporter of continuing nuclear tests in the Pacific.

None the less, the affair is unlikely to disappear because of the continuing mystery over the circumstances surrounding the sinking of the boat and the continuing investigations of the New Zealand police.

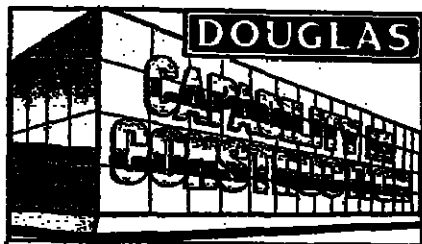
In political terms, the credibility of M Tricot's report is also more likely to be challenged in France by Socialist sympathisers than by the right.

In a television interview, M Tricot said he had "absolutely no idea" who was behind the attack.

In clearing the Government and the DGSE of responsibility, M Tricot said that Commander Alain Maffart and Captain Dominique Prieur - now under arrest in New Zealand - and the Orves crew had been sent on missions to gather more information on Greenpeace's activities. They were also asked by the DGSE to "reflect" on appropriate counter-action.

M Tricot says that he did not believe that either the DGSE or its agents overstepped their instructions.

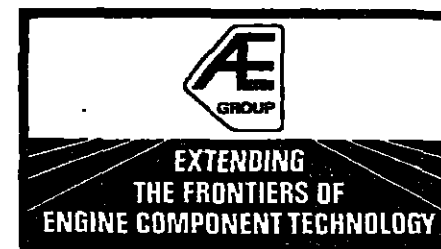
While affirming his belief in the innocence of all five French agents under arrest in New Zealand or wanted by the New Zealand authorities, Mr Tricot said that his judgment was based on the "current state of our knowledge." In the case of Commander Maffart and Captain Prieur, he conceded that until the New Zealand authorities had completed their examination it was impossible "to pronounce with certainty" on the accusations against them.



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday August 27 1985



\$200m NZI deal marks debut by Kidder Peabody

By PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

KIDDER PEABODY International has emerged as the latest entrant to the blossoming Euro-note market with the launch of its first deal last week, a \$200m five-year facility for NZI Corporation.

The deal, one of the larger operations to be launched in a quiet holiday atmosphere last week, will allow the borrower, New Zealand's largest financial services and insurance concern, to issue notes in Australian dollars as well as in U.S. dollars or other Euro-currencies.

Up to A\$50m in notes can be issued on Australia's domestic market, where such deals have become common as a means of avoiding the withholding tax payable on bank loans. The proceeds would go to funding the borrower's Australian business.

For the rest, the facility bears fairly standard terms in the form of a maximum yield on Euro-notes sold of 15 basis points, an annual commitment fee of 10 basis points and a utilisation fee of 5 points if more than half the notes are returned to underwriters.

This week should meanwhile see some pick-up in market activity, with the formal launch expected imminently of the \$300m, seven-year facility for American Airlines, which is to be led by Bank of America alongside Bank of Montreal and Sumitomo Bank. Also due shortly are details of the long-awaited \$180m credit mandate from Greece's Public Power Corporation.

Bankers believe the ending of the summer holiday period might see the launch of a number of other deals this week, including a \$50m facility for KHD, the German diesel engine, industrial plant and tractor group which earlier this year acquired the agricultural equipment business and credit corporation of Allis-Chalmers in the U.S.

That would be only the second Euro-note facility from a German

corporation and some bankers see it as a sign of expanding demand from German borrowers. But most German companies are currently very cash-rich and their close ties to domestic house-banks make them particularly reluctant to refinance existing credit lines at lower cost in the Euro-note market.

Last week also saw the launch of another deal from an unusual quarter in the form of a \$50m, 10-year facility for the Finnish industrial concern, Rauma-Repoli. This carries a \$22m backstop facility with a commitment fee of 10 basis points and a margin on drawings of 15 basis points over London interbank offered rate (Libor) for the first seven years rising to 20 points thereafter.

Lead managers are Citicorp and Kansai-Osaka-Franklin. The flow of borrowing by British corporations continues with deals last week from S. & W. Beristord and Fisons leading up to a \$100m facility on Thursday for British Printing & Communication Corporation, headed by Mr Robert Maxwell.

The deal's launch coincided embarrassingly with the suspension by Mr Maxwell on Thursday night of publication of his Mirror Group newspapers.

| EUROMARKET TURNOVER | | | | |
|---------------------|------------------|----------|---------|---------|
| Turnover (\$m) | | | | |
| Primary Market | Secondary Market | Over | FRN | Other |
| U.S.\$ 1,267.6 | 1.2 | 3,018.0 | 101.6 | 111.9 |
| FRF 2,882.4 | 0.2 | 1,482.2 | 111.9 | 111.9 |
| Other | 288.5 | 18.5 | 5.5 | 48.1 |
| Prev | 1,363.5 | 0.5 | 234.6 | 48.1 |
| Secondary Market | | | | |
| U.S.\$ 14,708.7 | 722.2 | 13,731.6 | 1,788.7 | 1,841.4 |
| FRF 14,807.1 | 722.1 | 12,910.8 | 1,841.4 | 1,841.4 |
| Other | 3,982.8 | 84.8 | 728.6 | 1,778.4 |
| Prev | 4,078.4 | 102.5 | 872.2 | 1,595.8 |
| Total | | | | |
| U.S.\$ 16,708.3 | 23,915.0 | 34,819.9 | 3,630.0 | 3,689.3 |
| FRF 15,609.5 | 23,402.8 | 34,573.9 | 3,689.3 | 3,689.3 |
| Other | 3,967.3 | 3,581.5 | 7,445.5 | 7,445.5 |
| Prev | 4,158.9 | 3,610.3 | 7,967.8 | 7,967.8 |

Week to August 22 1985 Source: AIBD

Norwegian group buys Phillips offshoot

By Fay Gjeister in Oslo

DIET Norske Oleselskap (DNO), a small independent Norwegian oil company, announced yesterday that it had acquired GAO North Sea, a subsidiary of Phillips Petroleum of the U.S. for Nkr 400m (\$48m).

The purchase will be financed about 50 per cent by borrowing and 50 per cent from own resources. It gives DNO stakes in four additional blocks (licence areas) on the Netherlands continental shelf, it already had shares in two.

On one of the four just acquired, there is a small oilfield which is due to come on stream in the second quarter of next year. This will make a welcome contribution to DNO's cash flow, the company's main source of income at present is its 6.25 per cent share of the UK Heather field, where output has passed its peak and is now declining.

DNO was never awarded stakes in Norwegian shelf concessions when the former Labour government was in power. Under the present Conservative-led administration it has recently been given small shares in five blocks, one off northern Norway and the others in the North Sea.

Three Norwegian companies which are market leaders in their respective sectors of the country's profitable beverage and grocery trade have agreed to merge on January 1 next year, creating a new group with a share capital of Nkr 150m, around 2,000 employees and a market value of about Nkr 1.8bn. The boards of Nora Industrier (beer and soft drinks), Idm (ketchup, crisps, salad dressings, yeast) and Bjelsen Valsmelle (flour, grain products) have agreed on a merger deal which will give the shareholders of Idm and Bjelsen shares in Nora, plus a cash payment, in exchange for the shares in their respective companies.

Activity in Euromarket hits high note

By MAGGIE URRY IN LONDON

"I THINK we can look back on a pretty successful week," said one Eurobond trader before heading off for the long weekend. Issuing activity has been high and the market firm enough to take paper in a variety of currency sectors.

While the tone is positive in the Eurodollar market, much still depends on the New York bond market. "A sudden reverse there could mean a lot of bonds being offered at less than par," says one syndicate manager. Traders were squaring their books before the weekend, although taking care not to be short in long-dated and newer issues where the main action has been.

The rise in Europe has lagged New York, making swaps awkward. But the lack of swaps has brought realism into issue pricing so that by Friday the IADB issue launched on Tuesday was trading around 99 1/2, and even the Reynolds issue was comfortably within its fees.

Once more the Eurobond market is losing borrowers to rival centres. A number of U.S. domestic deals might have been Eurodollar issues, while the U.S. Student Loan Marketing Association (Sallie Mae) has launched dollar deals in Tokyo, and Dow Chemical says it will also do so.

After the World Bank's first such issue - dubbed a "shogun" deal - more were bound to follow. Sallie Mae ran into some difficulties, though, as three of the Japanese securities houses - Nomura, Nikko

and Yamaichi - declined to be involved.

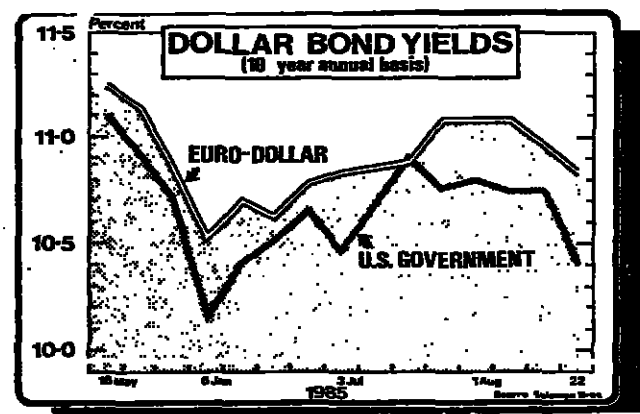
Traders observe that Japanese investors prefer a higher coupon and a premium pricing to a lower coupon with a price nearer par. The trend in "sushi" bonds - those launched in Europe but expected to sell back into Japan - has been towards latter coupons.

Mitsubishi Heavy Industries is paying a 10 1/2 per cent coupon - the same as IADB - for its seven-year issue, but the issue price was set at 101 1/2.

Pat margins are long forgotten in the floating-rate-note market. Investors are beginning to despair of being offered paper from top-name borrowers which they can buy at a profit - or indeed any paper at all. There is a significant shortage of supply and last week saw only two borrowers, Hungary and Malaysia. They are both improving credits, but what has happened to Sweden and France?

The answer, it seems, is that the main FAN borrowers have done their funding for this year, although there is still scope for refinancing. That leaves the way open for the lesser names to come for relatively cheap money.

Malaysia is getting funds at a rate of only 16 basis points above London interbank offered rate (Libor), spreading the 7 1/2% basis point fees over the 15 years to the put option. Hungary has brought its margin over Libor down from 3/4 per



cent to 1/4 per cent since its issue in January.

Both deals were moving slowly, with bids away from the lead managers close to or outside the full fees, but the paper should get placed.

The success stories of the week have been in the D-Mark and European currency unit market. Far from halting the run in D-Marks, the Bundesbank's interest-rate cut has spurred hopes for more cuts. Secondary market prices of D-Mark Eurobonds gained a round point, or more in places, although lagging the domestic market.

All the week's new D-Mark issues traded well, with the EEC and Finland deals trading around par. The

small issue with equity warrants from Teijin Seiki ended the week around 105 1/2 with allotments likely to be small.

The Ecu bond market was boosted by the strength of the D-Mark sector and other European interest-rate cuts. Only a couple of weeks ago the sector was under a cloud, but it has moved up and recent issues have been strong gainers. Here, too, new issues met a good reception, even with many retail investors still on holiday.

The retail-dominated non-U.S. dollar sectors of the Eurobond market have again demonstrated the need to bring only the best-loved names. In the Australian dollar sector, IKB, well known to West Ger-

man investors, saw its deal trading around par by the weekend, compared to the 100 1/2 issue price. But Merrill Lynch and Kone's deals were trailing behind.

That sector might also lose business to Tokyo. Victoria Public Finance Authority, which had been expected in the Euro-Australian market, now looks set to launch the first Australian dollar shogun.

The Euro-yen dual-currency sector saw many more issues again last week. Sallie Mae, which does not seem to be blessed with good fortune, was having difficulty with its issue. Syndicate managers pointed out that the 2 per cent fees were too low for a 15 year deal.

The Swiss franc foreign bond market has not been left out of the excitement. Prices have gained as much as a point over the last week, with the World Bank's 20-year 6 per cent issue gaining that much to 100 1/2. The EIB's 5 1/2 per cent issue 10 year bonds gained 1/2 point to 100.

Dual-currency issues have weakened, though, with the dollar's fall. Kendall's deal ended the week at 96, after three days' trading, down from the 100 issue price. Two more deals are due to start trading this week - Philip Morris and Mobil.

| BNF Bank bond average | | |
|-----------------------|----------|--------|
| Aug 25 | Previous | |
| 105.319 | 105.329 | |
| High | 1985 | Low |
| 105.329 | | 99.840 |

Loss triples at Atlas mining group

By LEO GONZAGA IN MANILA

NET LOSSES at Atlas Consolidated Mining and Development, the Philippines metals producer, more than tripled to 624.1m pesos (\$54m) in the first half of 1985 compared with 201.3m pesos in the same period of 1984.

For all 1984, the group suffered a net loss of 696.5m pesos. Mr Harry Toelle, Atlas president, blamed the latest deterioration in operational results on the continuing depres-

sion in the world market price of copper.

The company has reduced copper production in its Toledo property in central Philippines but has expanded gold production in its Arroyo property. In the second quarter, Atlas lost 478.81m pesos, compared with 155.8m pesos last year.

Meanwhile, talks between labour and management at the Baguio

mining operations of Benguet have collapsed, and the 5,000-strong National Federation of Labour Unions was expected to declare a strike.

The issue was over a plan of Benguet to lay off 450 of its workers in order to cut costs and losses.

Up to 208 of the workers retired voluntarily and were given substantial benefits, but the 242 others turned down retirement.

Revlon bidder unveils options

By OUR FINANCIAL STAFF

PANTREY Pride, the Florida-based supermarket group, intends to sell "substantially all" of the assets of Revlon, except for the company's beauty group, if it succeeds in its \$1.9bn bid for the cosmetics and health care company.

However, Pantrey Pride added in a filing with the U.S. Securities and Exchange Commission that following a successful takeover it "may revise its intention as to which assets of the company it will seek to sell

and which assets it will retain."

The Florida group, whose bid is being fiercely contested, said its representatives had contacted potential purchasers for the Revlon assets.

Separately, Pantrey Pride said its offer was conditional on Revlon shedding its "poison pill" anti-takeover measures. The announcement raised doubts among analysts about Pantrey Pride's ability to carry out the takeover.

All these securities having been sold, this announcement appears as a matter of record only.

June 1985

Tricentrol

Tricentrol PLC

(Incorporated in England with limited liability)

£35,000,000

11 per cent. Bonds due 1992

and

4,725,000 Warrants

to subscribe Ordinary Shares in Tricentrol PLC

Morgan Grenfell & Co. Limited

Barclays Bank Group
County Bank Limited
Samuel Montagu & Co. Limited

Al-Mal Group
BankAmerica Capital Markets Group
Baring Brothers & Co., Limited
Chase Manhattan Capital Markets Group
Daiwa Europe Limited
Robert Fleming & Co. Limited
Hambros Bank Limited
Hoare Govett Ltd.
Kidder, Peabody International Limited
Lloyds Merchant Bank Limited
Mitsubishi Finance International Limited
Morgan Stanley International
Nomura International Limited
N. M. Rothschild & Sons Limited
Standard Chartered Merchant Bank Limited
Swiss Bank Corporation International Limited
S.G. Warburg & Co. Ltd.

Goldman Sachs International Corp.

Citicorp Investment Bank Limited
Deutsche Bank Aktiengesellschaft
Orion Royal Bank Limited

Astaire & Company Limited
Banque Paribas Capital Markets
Cazenove & Co.
Credit Suisse First Boston Limited
de Zoete & Bevan
Grindlay Brandts Limited
Hill Samuel & Co. Limited
E.F. Hutton & Company (London) Ltd.
Kleinwort, Benson Limited
Merrill Lynch Capital Markets
Morgan Guaranty Ltd.
The Nikko Securities Co., (Europe) Ltd.
Phillips & Drew
J. Henry Schroder Wagg & Co. Limited
Strauss, Turnbull & Co. Limited
Union Bank of Switzerland (Securities) Limited
Wood Gundy Inc.

This announcement appears as a matter of record only.

July, 1985

Baker International Corporation

U.S. \$200,000,000

Revolving Credit Facility

Arranged by

Morgan Grenfell & Co. Limited

Provided by

Algemene Bank Nederland N.V.

Bank of Scotland

Banque Nationale de Paris

The Industrial Bank of Japan, Limited

Morgan Grenfell & Co. Limited

Saudi International Bank
Al-Bank Al-Saudi Al-Alami Limited

Toronto Dominion International Limited

Australia and New Zealand
Banking Group Limited

Banque Paribas

Barclays Bank PLC

Midland Bank plc

The Royal Bank of Canada Group

Swiss Bank Corporation

Westdeutsche Landesbank Girozentrale

INTERNATIONAL CAPITAL MARKETS

U.S. MONEY AND CREDIT

Prices rise amid signs of a weak economy

U.S. BOND prices rose for the third straight week last week, and short-term rates continued to ease amid signs that the Federal Reserve opted not to change its monetary policy at its latest Open Market Committee (FOMC) meeting.

The Fed funds rate, having ended the previous week well above 8 per cent, traded down for much of last week and appeared to have settled into a 7 1/4 to 7 1/2 per cent range. The yield on six-month Treasury bills fell by 9 basis points to 7.20, and while yields have not fallen back to the levels of early July, when the markets were awash with talk of an imminent cut in the discount rate, short-term interest rates have fallen by around 25 basis points from their early August peaks.

After the sharp setback in bond prices in July, the U.S. credit markets have staged a notable rally this month. The news from Washington continues to paint a picture of an economy stumbling along with little sign of strength. Last week's upward revision in the second-quarter real gross national product growth rate from 1.7 to 2.2 per cent was missed as an aberration and the markets took more notice of the

| U.S. MONEY MARKET RATES (%) | | | | |
|-----------------------------|-------------|------------|-------------|---------------|
| | Last Friday | 1 week ago | 4 weeks ago | 12 months ago |
| Fed Funds (weekly average) | 7.24 | 8.13 | 7.82 | 11.70 |
| Three-month Treasury bills | 7.24 | 7.11 | 7.19 | 10.77 |
| Six-month Treasury bills | 7.18 | 7.09 | 7.34 | 10.52 |
| Three-month prime CDs | 7.75 | 7.85 | 7.78 | 11.08 |
| 30-day Commercial Paper | 7.65 | 7.78 | 7.83 | 11.38 |
| 90-day Commercial Paper | 7.65 | 7.79 | 7.89 | 11.25 |

| U.S. BOND PRICES AND YIELDS (%) | | | | |
|---------------------------------|-------------|------------|-------------|---------------|
| | Last Friday | 1 week ago | 4 weeks ago | 12 months ago |
| Seven-year Treasury | 101 1/2 | + 1/2 | 101 1/2 | 101 1/2 |
| 10-year Treasury | 101 1/2 | + 1/2 | 101 1/2 | 101 1/2 |
| 20-year Treasury | 101 1/2 | + 1/2 | 101 1/2 | 101 1/2 |
| 30-year Treasury | 101 1/2 | + 1/2 | 101 1/2 | 101 1/2 |
| New 10-year "A" Financial | n/a | + 1/2 | 101 1/2 | 101 1/2 |
| New 10-year "AA" Long utility | n/a | + 1/2 | 101 1/2 | 101 1/2 |
| New "AA" Long industrial | n/a | + 1/2 | 101 1/2 | 101 1/2 |

Money Supply: In the week ended August 12 M1 rose by \$500m to \$553.1bn.

unexpectedly large 2.8 per cent drop in durable goods orders in July. The figures on the July Index of Leading Economic Indicators — due on Friday — will be important in this context. After rising by 1 per cent in June, analysts are forecasting a rise of around 0.3 per cent. If the figures come in around this level it will be a further sign that the economy has stalled and will probably need lower interest rates to get it going again.

The combination of fresh evidence of the economy's sluggishness plus good news on

the inflation front, with July consumer prices rising by a mere 2 per cent, has led many analysts to believe that the authorities are becoming more concerned about stimulating the economy than curbing excess monetary growth.

The minutes of the July FOMC meeting, which were released on Friday, showed that the Fed had voted for "a slight bias towards resisting excessive monetary growth."

But most analysts, like Salomon Brothers' Dr Henry Kaufman, predicted that last Tuesday's FOMC meeting had agreed not to make any significant changes

in monetary policy. The relatively weak economic numbers and the drop in the Fed funds rate have produced a lower interest rate and there are those like Briggs Schaefer's Philip Braverman, who argue that "the downturn in rates has further to go."

Aside from the obvious weakness in the economy, Fed officials are also monitoring the impact of the renewed crisis in the Maryland savings bank industry on the fast growing mortgage-backed securities market.

By the end of the week it was looking increasingly likely that Equity Programs Investment Corporation (EPIC) was going to default on around \$1.4bn of mortgages and mortgage-backed securities. To date the U.S. financial markets have taken the problems relatively calmly, but Philip Braverman argues that the Fed's concern about the stability of the financial system are once again mounting and this argues for an easier trend in interest rates.

The improved tone in the U.S. credit markets has not been lost on foreign investors, and there was an avalanche of corporate issues last week by companies anxious to lock in lower

borrowing costs.

Salomon Brothers notes that nearly \$2.2bn of new corporate issues were launched last week and that "an unusually heavy proportion" of \$1.3bn, was traditional long-term, fixed-rate bonds.

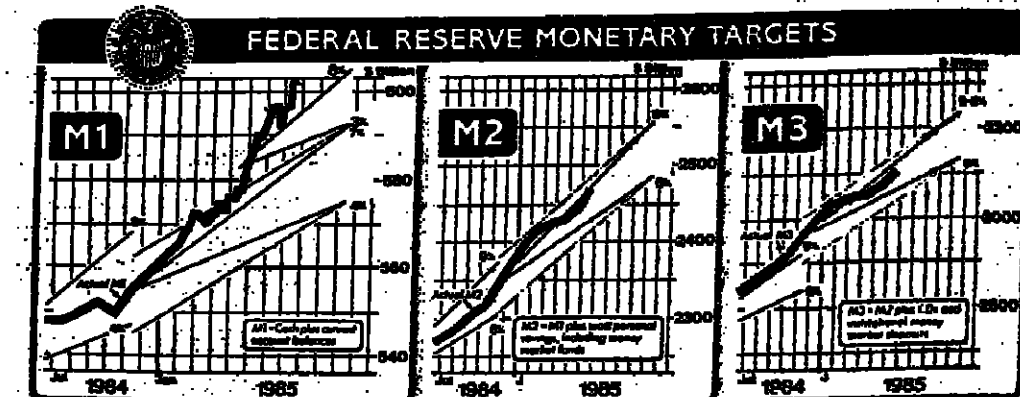
A wide range of borrowers ranging from General Motors Acceptance Corporation (GMAC) to Ford and Dow Chemical were raising money. Pacific Bell issued \$400m of 10-year debentures at a yield of 11.51 per cent and Capital Cities Communications, which is taking over ABC, issued \$200m of 12-year notes at a yield of 10.74 per cent.

Burlington Northern raised \$250m of 30-year debentures at a yield of 11.68 per cent while GMAC's \$500m of 10-year notes carrying a 10 1/2 per cent coupon

were offered at 99 1/2 to yield 10.47 per cent.

Although the credit markets are operating with growing levels reflecting the summer holiday season, a number of innovative new debt instruments continue to be brought to the market.

Last week the Federal Home Loan Mortgage Association (Freddie Mac) unveiled a new security, the Multi-Family Mort-



gage Participation Certificate. The agency says that it is the first security "backed exclusively by newly originated multi-family mortgages." Freddie Mac intends to sell \$100m of the \$500m to European investors. The securities will be exempt from withholding tax.

The Small Business Administration (SBA) also announced a new type of security last week

which is backed by pools of SBA loans carrying the full faith and credit of the U.S. Government. Analysts estimate that the price of fixed-rate SBA loans with an average life of about five years will trade about 1 per cent above comparable U.S. Treasury bills. Pools of SBA loans will yield about 11 points above comparable U.S. issues.

William Hall

UK GILTS

Doubts over pace of interest rate cuts

WHEN THE dollar shuffles sideways as nowadays does the gilt-edged market.

The U.S. currency's periodic bouts of weakness last week did provide the occasional boost for UK bonds. But, with the apparently conflicting news on the U.S. economy keeping it in its recent DM 2.74 to DM 2.78 trading range, these brokers not on holiday had plenty of time to watch the cricket.

Short and medium-dated stocks managed gains of around 3 points but many longer issues ended fractionally lower as the recent flattening of the yield curve continued.

That lacklustre performance did not dent the underlying confidence that the international environment should continue to be favourable for gilt-edged stocks.

Although the upward revision to the second-quarter U.S. GNP figure took the currency markets by surprise, it had only a fleeting impact on the prevailing bullish sentiment towards the dollar.

The steep fall in U.S. con-

sumer durable orders last month confirmed the pessimists in the view that the expected bounce-back in the American economy will be relatively weak; and, crucially, that the Fed has little scope to tighten policy.

If the consensus is that trends in international currencies and interest rates look promising, there is less certainty over the extent and timing of their transmission to the gilt-edged market.

The dollar's fall has been far from smooth and if it does accelerate there must be a limit to how quickly it can drop without the Fed reacting to the inflationary implications.

And the Bank of England has made it clear that it will not be hurried into a base rate cut just because the pound moves over \$1.40.

Its refusal last week to offer sale and repurchase agreements to the discount houses to cope with the huge daily shortages in the money market chipped away much of the optimism about the pace of prospective interest rate cuts.

That in turn left some investors wondering whether the gilt-edged market has not already discounted too much.

The Treasury line is that, although the pound has been steady for some time, a level of around 82 on the sterling index would not in itself prompt the authorities to lower rates; and the domestic front nothing much has changed since the last cut.

The suggestion — presuming that economic rather than political reasoning continues to hold sway — is that the trigger for the inflation rate likely over the next few months the Government's finances also look in better shape than in recent years.

There is, however, some

unease about the monetary outlook.

Initial calculations by brokers' economists suggest that the money supply figures due on September 10 will show further strong growth in sterling M3 during banking August. Rowe & Pitman, for example, is forecasting growth of around 11 per cent.

The authorities have temporarily downplayed the monetary aggregate, combining their focus on the exchange rate with the monitoring of a range of other indicators encompassing everything from narrow money to house prices.

Having so far erred on the side of caution, however, the Treasury may have problems in persuading the markets that a favourable report from the Institute of Surveyors is more important than what is happening to house prices.

Unless, of course, the exchange rate is moving in the right direction.

Philip Stephens

All these securities having been sold, this announcement appears as a matter of record only.



Imperial Chemical Industries PLC

(Incorporated with limited liability in England under the Companies Acts, 1908 to 1917, registered number 218019)

£75,000,000

10 3/4 per cent. Bonds Due 1992

Issue Price 100% per cent.

J. Henry Schroder Wagg & Co. Limited

S. G. Warburg & Co. Ltd.

Morgan Grenfell & Co. Limited

Algemene Bank Nederland N.V.

Banque Paribas Capital Markets

Baring Brothers & Co., Limited

County Bank Limited

Credit Suisse First Boston Limited

Deutsche Bank Aktiengesellschaft

Generale Bank

Goldman Sachs International Corp.

Lloyds Merchant Bank Limited

Nomura International Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Yamaichi International (Europe) Limited

Amro International Limited

Banca Commerciale Italiana

BankAmerica Capital Markets Group

The Bank of Bermuda Ltd.

Bank Gutzwiller, Kurz, Bunge (Overseas) Limited

Bank Leu International Ltd.

Bank Max Fischer C.V.

Bank Mess & Hope NY

Banque Bruxelles Lambert S.A.

Banque Internationale à Luxembourg S.A.

Banque Nationale de Paris

Berliner Bank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

Charterhouse Japhet plc

Chemical Bank International Group

Citicorp Investment Bank Limited

Commerzbank Aktiengesellschaft

Credit Lyonnais

Crédit du Nord

Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Great Pacific Capital S.A.

Grindlay Brant & Co. Limited

Hambros Bank Limited

Hoare Govett Ltd.

Kleinwort, Benson Limited

Merrill Lynch Capital Markets

Mitsubishi Finance International Limited

Mitsui Trust Bank (Europe) S.A.

The Nikko Securities Co. (Europe) Ltd.

Nippon Kangyo Bank (Europe) Limited

Norddeutsche Landesbank Girozentrale

PK Christiana Bank (UK) Limited

Rabobank Nederland

N.M. Rothschild & Sons Limited

Sarasini International Securities Limited

Schoeller & Co. Bankaktiengesellschaft

Singer & Friedlander Ltd.

Smith Barney, Harms Upham & Co. Incorporated

Société Générale

Strauss, Turnbull & Co. Limited

Tokai International Limited

Toronto Dominion International Limited

Toyo Trust International Limited

Vereins- und Westbank Aktiengesellschaft

M.M. Warburg-Brinckmann, Wirtz & Co.

Westdeutsche Landesbank Girozentrale

Yasuda Trust Europe Limited

August, 1985

FT/AIBD INTERNATIONAL BOND SERVICE

| U.S. DOLLAR STRAIGHTS | | | | Issued | Price | Yield | Chg. on |
|-----------------------|-----|-----|---------|--------|-------|-------|---------|
| AIGC 11 1/2 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 11 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 12 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 12 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 13 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 13 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 14 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 14 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 15 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 15 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 16 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 16 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 17 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 17 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 18 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 18 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 19 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 19 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 20 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 20 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 21 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 21 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 22 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 22 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 23 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 23 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 24 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 24 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 25 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 25 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 26 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 26 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 27 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 27 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 28 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 28 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 29 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 29 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 30 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 30 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 31 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 31 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 32 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 32 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 33 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 33 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 34 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 34 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 35 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 35 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 36 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 36 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 37 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 37 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 38 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 38 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 39 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 39 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 40 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 40 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 41 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 41 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 42 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 42 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 43 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 43 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 44 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 44 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 45 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 45 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 46 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 46 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 47 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 47 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 48 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 48 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 49 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 49 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 50 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 50 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 51 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 51 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 52 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 52 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 53 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 53 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 54 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 54 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 55 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 55 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 56 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 56 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 57 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 57 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 58 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 58 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 59 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 59 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 60 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 60 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 61 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 61 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 62 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 62 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 63 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 63 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 64 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 64 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 65 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 65 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 66 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 66 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 67 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 67 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 68 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 68 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 69 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 69 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 70 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 70 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 71 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 71 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 72 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 72 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 73 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 73 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 74 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 74 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 75 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 75 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 76 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 76 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 77 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 77 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 78 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 78 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 79 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 79 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 80 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 80 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 81 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 81 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 82 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 82 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 83 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 83 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 84 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 84 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 85 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 85 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 86 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 86 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 87 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 87 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 88 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 88 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 89 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 89 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 90 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 90 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 91 1/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 91 3/4 94 | 100 | 100 | 101 1/2 | 10.75 | + 1/2 | | |
| AIGC 92 1/4 94 | | | | | | | |

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Henkel issue could raise DM500m

BY JONATHAN CARR IN FRANKFURT

HENKEL, the family-owned West German chemicals concern which invented Persil washing powder, plans a public share issue in October—the first in its 109-year-old history.

The offer of a nominal DM 750m (£27.3m) in non-voting preference shares could raise Henkel close to DM 500m, as well as give a marked fillip to the German "new issue" business.

At the same time, by choosing to issue non-voting stock, the Henkel family ensures it retains control over the company for now—and possibly for the foreseeable future.

Without that certainty it is most unlikely that the descendants of the firm's founder Fritz Henkel—there are now 66 of them with a say in the group's future—could have

reached agreement to "go public".

In decisions taken at the weekend, family members agreed that Henkel's basic capital would be raised initially from DM 300m to DM 500m through an injection of partners' funds (reserves).

Of that increase, DM 100m will be in the form of ordinary shares and another DM 100m in non-voting preference stock.

The latter will not be offered to the public for now, but it is understood that family members could do so at a later stage.

Finally in October a consortium led by Deutsche and Dresdner banks will offer a further DM 75m in preference stock to the public—bringing total basic capital to DM 575m. Henkel will apply to have the

shares officially listed on all German stock exchanges.

There is no official word on an issue price for the shares but analysts believe Henkel's current business position and prospects could justify a figure of DM 300 or more.

Last year group net profits rose by 26 per cent to DM 130m on sales revenue up by 10.3 per cent to DM 9.3bn. Thanks to an internal reorganisation, it is expected that Henkel will again show a marked profits boost this year on sales more or less static.

In principle Henkel seems to need no injection of funds from outside. Last year cash flow at DM 718m exceeded overall investment by almost one third, and capital and reserves together make up more than 40 per cent of the balance sheet total.

However it is pointed out that with its highly diversified product structure—chemicals, detergents, adhesives, cosmetics and so on—Henkel is up against a range of "giants" from BASF to Procter and Gamble.

The ability to tap outside funds, it is felt, could be decisive for Henkel in the intense competitive battles of the 1980s and 1990s.

Last year 21 German companies came to the stock market for the first time, a record, but this year the pace has been slower.

The Henkel issue will come as a notable boost. It is one of the largest in recent years, comparable with those of Porsche, the fast car maker, Nixdorf, the computer manufacturer, and Springer, the publishing house.

Founder of Sun Hung Kai dies after stroke

By David Dodwell in Hong Kong

MR FUNG KING HEY, one of Hong Kong's leading business figures, died yesterday after three weeks' illness, having been hospitalised in Canada with a stroke. Mr Fung was founder and chairman of Sun Hung Kai and Co, one of the Territory's largest and long-established building and banking groups. He was 63.

His death comes just months after a major reorganisation of his building and banking group in which he regained full executive and equity control for the first time since 1982.

At that time, facing a variety of financial problems linked with Hong Kong's collapsing property market, he reached agreement with Merrill Lynch, the U.S. banking group, for a joint venture in his securities and commodities trading business. Compagnie Financière de Paribas, the French bank, reached a similar agreement on his banking operations.

In March this year, Fung King Hey regained majority control of Sun Hung Kai when Paribas sold him its 25.5 per cent interest in the company. Merrill Lynch remains a minority partner. At the same time, the Arab Banking Corporation acquired a controlling stake in Sun Hung Kai Bank, leaving Fung King Hey as chairman with a 25 per cent holding.

At the time, local commentators talked of Fung King Hey having restored his control over the group, which had performed poorly over the past three years. The reorganisation, coupled with major asset disposals, have considerably improved the group's balance sheet, raising expectations of a recovery.

Mr Fung was born in Southern China in 1922 and educated in Guangdong. He fled to Hong Kong in 1946, leaving behind a money-changing business, and arrived penniless in the British territory.

He is understood to have made his fortune trading with China through Macao during the Korean war in defiance of a United Nations ban on all trade with the mainland.

| NEW INTERNATIONAL BOND ISSUES | | | | | | | | | |
|-------------------------------|-----------|----------|---------|----------|---------|----------------------|---------------|--|--|
| Borrowers | Amount m. | Maturity | No. yrs | Coupon % | Price | Book Runner | Offer yield % | | |
| U.S. DOLLARS | | | | | | | | | |
| Paycom Gold St. | 15 | 1992 | 7 | 8 1/4 | 100 | Boe Gutzwiller, K.G. | 8.500 | | |
| Paycom Gold St. (a) | 6,850 | 1992 | 7 | 8 | 100 | Boe Gutzwiller, K.G. | 5.000 | | |
| Rockefeller Center (a) (b) | 335 | 2000 | 15 1/4 | 8 | 100 | Goldman Sachs | - | | |
| Rockefeller Center (a) (b) | 230 | 2000 | 15 1/4 | 8 | 100 | Goldman Sachs | - | | |
| SAUD | | | | | | | | | |
| Saudi U.S. St. | 100 | 1995 | 10 | 10 1/2 | 100 | CSFB | 10.500 | | |
| Phoenix Mutual (a) St. | 63.07 | 1992 | 4.8 | 10 1/4 | 100 | CSFB | 10.250 | | |
| Phoenix Mutual Life St. | 64.82 | 1996 | 9 1/2 | 10 1/4 | 100 | CSFB | 10.750 | | |
| Nat. Bank of Hungary (a) St. | 200 | 2000 | 15 | 10 | 100 | Morgan Int. | - | | |
| Aspen Int. St. | 75 | 1992 | 7 | 10 1/4 | 100 | Morgan Guaranty | 10.250 | | |
| R.I. Reynolds St. | 100 | 1993 | 8 | 10 1/4 | 100 | UBS (Swiss) | 10.250 | | |
| Sofia Int. St. | 100 | 1990 | 5 | 8 1/4 | 100 1/2 | Deutsche Bank | 8.522 | | |
| Fuji Int. St. | 30 | 2000 | 15 | 10 1/2 | 100 | Fuji Int. St. | - | | |
| Fuji Int. St. | 20 | 2000 | 15 | 10 1/2 | 100 | Fuji Int. St. | - | | |
| Bank of Tokyo St. | 100 | 1995 | 10 | 10 1/4 | 101 1/2 | Bank of Tokyo Int. | 10.190 | | |
| Malaysia (a) St. | 650 | 2005 | 20 | 9 1/4 | 100 | Morgan Guaranty | - | | |
| Witchfield Int. St. | 100 | 1992 | 7 | 10 1/2 | 101 1/2 | Yamashita Int. (Eur) | 10.164 | | |
| CANADIAN DOLLARS | | | | | | | | | |
| Canadian Pacific St. | 75 | 1990 | 5 | 10 1/2 | 100 | Wood Gundy | 10.375 | | |
| AUSTRALIAN DOLLARS | | | | | | | | | |
| ADB Finance St. | 30 | 1990 | 5 | 12 1/2 | 100 1/2 | Deutsche Cap. Mkts. | 12.734 | | |
| Westpac Int. St. | 50 | 1990 | 5 | 13 | 100 1/2 | Merrill Lynch | 12.823 | | |
| Kenn St. | 30 | 1990 | 5 | 13 | 100 1/2 | Merrill Lynch | 12.858 | | |
| NEW ZEALAND DOLLARS | | | | | | | | | |
| Bank of New Zealand St. | 50 | 1990 | 3 | 17 | 100 1/2 | Morgan Guaranty | 16.562 | | |
| D-MARKS | | | | | | | | | |
| Europ. Community St. | 150 | 1987 | 12 | 8 1/4 | 99 | Deutsche Bank | 8.823 | | |
| Federal St. | 150 | 1995 | 10 | 8 1/4 | 99 | Dresdner Bank | 8.460 | | |
| Tufts St. 1 | 35 | 1990 | 5 | 8 1/4 | 100 | Deutsche Bank | - | | |
| SWISS FRANCES | | | | | | | | | |
| Sabot Chemical St. | 40 | 1990 | - | 1 1/4 | 100 | Credit Suisse | 1.825 | | |
| Sabot Chemical St. 1 | 50 | 1990 | - | 2 1/4 | 100 | Credit Suisse | 2.875 | | |
| Tokyo Electric Power St. | 150 | 1993 | - | 5 1/4 | 99 1/2 | Credit Suisse | 5.540 | | |
| Witchfield Int. St. | 100 | 1990 | - | 1 1/4 | - | - | - | | |
| Witchfield Int. St. | 100 | 1993/95 | - | 5 1/2 | - | - | - | | |
| Koba Steel St. | 100 | 1990 | - | 3 | 100 | Credit Suisse | 3.000 | | |
| FRENCH FRANCES | | | | | | | | | |
| Stimex St. | 300 | 1992 | 7 | 11 1/4 | 100 | Paribas Indosuez | 11.250 | | |
| ECIL | | | | | | | | | |
| Xerox Canada Fin. St. | 40 | 1990 | 5 | 8 1/4 | 100 | Paribas | 8.500 | | |
| IF Agribusiness St. | 75 | 1992 | 3 | 8 1/4 | 100 1/2 | Paribas | 8.229 | | |
| Landbank (a) St. | 20 | 1992 | 7 | 8 | 100 1/2 | BSL | 8.001 | | |
| DANISH KRONER | | | | | | | | | |
| Fin. Inst. Danish Int. St. | 300 | 1990 | 5 | 8 1/4 | 100 1/2 | Dan Danske Bank | 9.819 | | |
| GULDER | | | | | | | | | |
| Wissmann Mulderland St. | 50 | 1990 | 5 | 8 1/4 | 99 1/2 | Ambro | 6.811 | | |
| LUXEMBOURG FRANCES | | | | | | | | | |
| Burdys Bank St. | 100 | 1990 | 5 | 8 1/4 | 100 1/2 | BSL | 8.105 | | |
| YEN | | | | | | | | | |
| Ford Motor Credit St. | 250 | 1995 | 10 | 8 | 100 1/2 | Daime Europe | 7.888 | | |
| Mortgage Int. Denmark St. | 250 | 1995 | 10 | 7 1/4 | 100 | Daime Europe | 7.250 | | |
| Sofia Int. St. | 300 | 1990 | 13 | 7 1/4 | 100 | Daime Europe | 7.500 | | |
| ORR St. | 250 | 1996 | 11 | 7 1/4 | 100 | Daime Europe | 7.125 | | |
| Admiral Bank St. | 11.50 | 1995 | 10 | 8 | 101 | BSL | 7.852 | | |
| Korea Dev. Bank St. | 300 | 1995 | 9 | 6.7 | 100 | Daime Europe | 6.700 | | |
| Federal Int. St. | 250 | 1992 | 7 | 6.5 | 100 | Daime Europe | 6.000 | | |

* Not yet priced. ** Fixed terms. *** Private placement. \$ Floating rate note. 1 With equity warrants. 2 Dual-currency. (a) Convertible into gold. (b) 1/2 over 5% lib. (c) 3% over 5% lib. (d) At maturity investors can convert or buy a 7-yr FRB at 100, immediately callable. (e) 1/2 over 5% lib. Note: Yields are calculated on ASD basis.

WORLD TRADE NEWS

GLOBAL COMMENT DAILY IN THE FT

Petrofina chief dies suddenly

By Paul Cheeswright in Brussels

THE chairman and chief executive of Petrofina, the international Belgian energy products group, Mr Adolphe Demeure de L'Espaul, has died suddenly at the age of 58. He had been suffering from leukaemia.

He was the principal architect in the expansion of a group which now employs 23,000 people worldwide and in the first half of this year had profits of BFr 8.7bn (£156m).

Mr Demeure joined Petrofina in 1951 and became an executive director in 1967. He was made chairman of the management committee in 1973 and became group chairman in 1979.

Despite a dalliance with the metals industry, Mr Demeure kept Petrofina's expansion firmly within the energy industry and within strict financial criteria. "We do not accept projects which have a discounted cash flow of less than 20 per cent," he once said.

The key to his management technique was decentralisation—pick the right man and let him get on with it. "My first master is the personnel," he said, and paid obedience to it by making employees the biggest single group of shareholders in the group with some 9 per cent of the equity.

Murdoch unveils finance plan

BY WILLIAM HALL IN NEW YORK

MR RUPERT Murdoch, the Australian publishing magnate, unveiled plans to offer investors a stake in his U.S. operations as part of a proposed \$1.45bn refinancing of the six U.S. TV stations which he is buying from Metromedia.

Details of the plan have not been completed, but News America Holdings, Mr Murdoch's master company, is offering to exchange the \$1.35bn of "junk bond" debt which he will be responsible for when he takes control of his new TV empire, for \$1.45bn. Investors will have a choice of either accepting cash for their "junk bonds," preferred stock of a subsidiary or a combination of

both.

The amount of preferred stock will not exceed 50 per cent of the total \$1.45bn exchange offer, and to the extent that the current "junk bond" holders do not take up Mr Murdoch's \$725m preferred stock issue, News America Holdings will sell the balance through a public offering.

Details of the preferred stock were not available yesterday, and it was not known whether it would be convertible into equity or redeemable.

Ever since May when Mr Murdoch and Mr Marvin Davis, the

Denver oil man, announced the \$2bn purchase of Metromedia's seven TV stations, Wall Street analysts have been expecting that the package would have to be refinanced since the \$1.35bn in "junk bond" debt which was to be transferred along with ownership of the TV stations is very expensive to service.

In June Mr Davis dropped out of the deal leaving Mr Murdoch to find the money. \$450m is being raised through the sale of a Boston TV station, which meant that Mr Murdoch's initial investment was limited to \$220m and the assumption of the \$1.35bn in debt.

At the time, local commentators talked of Fung King Hey having restored his control over the group, which had performed poorly over the past three years. The reorganisation, coupled with major asset disposals, have considerably improved the group's balance sheet, raising expectations of a recovery.

Bouygues deal confirmed

By David Housego in Paris

BOUYGUES, France's largest construction group, and M. Bernard Tapie, the maverick French businessman, who has specialised in buying "lame duck" companies, have confirmed that they are to join forces in a new company.

The new venture brings together Flies Wonder, the French consumer battery manufacturer, and the consumer battery interests of Saft, a former subsidiary of the state-owned CGE electronics group.

Superfos sees downturn

BY HILARY BARNES IN COPENHAGEN

SUPERFOS, the Danish chemicals group, has said that 1985 earnings would fall by about Dkr 100m to Dkr 175m (\$17.5m) primarily as a result of a weak market for fertilisers produced by Royster, the U.S. fertiliser group acquired last year.

Signs of a recovery in U.S. fertiliser prices, capacity reductions in the U.S. fertiliser industry and the weakening of the dollar indicated that prospects for Royster are improving but

its 1985 earnings would nevertheless be unsatisfactory, according to the interim statement.

First-half group earnings were Dkr 84m, after Dkr 6m of unrealised foreign exchange losses, but including Dkr 44m in extraordinary income from insurance indemnities for a fire. Last year there was a first-half deficit of Dkr 4m, including Dkr 82m in forex losses. Sales were up from Dkr 4bn to Dkr 6.6bn, mainly a result of the Royster acquisition.

This announcement appears as a matter of record only

FISONS

FISONS FINANCE NETHERLANDS BV

Guaranteed by

FISONS plc

US \$50,000,000

EURO-NOTE PROGRAMME

Dealers

Credit Suisse First Boston Limited

Morgan Guaranty Ltd

The Notes will not be registered under the United States Securities Act of 1933

These Notes having been sold, this announcement appears as a matter of record only.

New Issue

May, 1985



COMMONWEALTH BANK OF AUSTRALIA

(A statutory corporation of the Commonwealth of Australia)

A\$50,000,000

13 1/4% Notes Due 1990

The Commonwealth of Australia guarantees the due payment of all moneys that are, or may at any time become, payable by the Commonwealth Bank of Australia

Orion Royal Bank Limited

Hambros Bank Limited

Algemene Bank Nederland N.V.

Amro International Limited

Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Commerzbank Aktiengesellschaft

Credit Suisse First Boston Limited

Deutsche Bank Aktiengesellschaft

Generale Bank

Girozentrale und Bank der österreichischen

Kreditbank International Group

Sparkassen Aktiengesellschaft

Nomura International Limited

Morgan Guaranty Ltd

Swiss Bank Corporation International

Sumitomo Finance International

Commonwealth Bank of Australia

Union Bank of Switzerland (Securities)

Limited

U.S. \$150,000,000

Chemical New York Corporation
(Incorporated in Delaware)Floating Rate Subordinated Notes
Due 1996

Notice is hereby given that, in accordance with the provisions of the Notes, the interest amount payable on 6th September, 1985 in respect of each U.S. \$10,000 principal amount of the Notes will be U.S. \$201.48.

This payment represents interest accrued for the period from 27th May, 1985 to 26th August, 1985 inclusive.

Credit Suisse First Boston Limited
Agent Bank

Ente Nazionale per l'Energia Elettrica

U.S. \$300,000,000

Floating Rate Notes Due 2005

Unconditionally guaranteed as to payment of principal and interest by

The Republic of Italy

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 8.175625% for the Interest Determination Period 27th August, 1985 to 27th September, 1985. Interest accrued for this Determination Period and payable in November, 1985 will amount to U.S. \$741.40 per U.S. \$10,000 Note and U.S. \$1,760.03 per U.S. \$250,000 Note.

Agent Bank:

Morgan Guaranty Trust Company of New York
London

£200,000,000 Guaranteed Floating Rate Notes Due 1996

Lloyds Eurofinance N.V.

(Incorporated in the Netherlands with limited liability)

Guaranteed on a subordinated basis as to

payment of principal and interest by



Lloyds Bank Plc

(Incorporated in England with limited liability)

Notice is hereby given that the Rate of Interest has been fixed at 11 1/4% and that the interest payable on the relevant Interest Payment Date, November 26, 1985 against Coupon No. 5 in respect of £5,000 nominal of the Notes will be £153.72 and in respect of £250,000 nominal of the Notes will be £768.62.

August 27, 1985, London
By: Citibank, N.A. (CSSI Dept), Agent Bank.

CITIBANK



CREDITANSTALT-BANKVEREIN

US\$150,000,000

Subordinated Floating Rate Notes 1996

For the six months
27th August 1985 to 27th February 1986
the Notes will carry an interest rate of
8 1/4% per annum and coupon amount of
US\$210.83, payable on 27th February 1986

Bankers Trust Company, London
Principal Paying Agent

[illegible]

•

| | | | | |
|---|--|---|--|--|
| Royal Trust International Fd. Mgmt. Ltd.(x) PO Box 294, St. Heller, Jersey. Starting Fd. Inv. \$3,919 International \$1,279 International \$1,819 Price on Aug 21, West closing Aug 20. | | S.S. Waburg & Co. Ltd. and Subsidiaries 33, King William St. EC4R 9AS. Launch Aug 22 250.18 More European Aug 21 119.00 Select Asia Broad 29.72 39-82 39.72 | | G1-32 2222 -0.19 +0.13 ... 1.22 0534 78715 1.75 |
|---|--|---|--|--|

[illegible][illegible][illegible]

OPTIONS

3-month call r

[illegible]

That's BTR

| Stock | Price £ | Lot # |
|-------|------------|----------|
|-------|------------|----------|

| | | | |
|---------------------|-----|--------|-----|
| Wadsworth & W. SLO. | 240 | \$1.40 | 7.1 |
| DeAllred Corp S1 | 30 | \$1.80 | 4.3 |
| DeAllred S1 | 105 | 250 | 1.4 |
| DeAllred S1 | 972 | 200 | 1.6 |
| DeAllred S1 | 394 | \$1.90 | 3.5 |
| DeAllred S1 | 300 | \$1.28 | 2.9 |

[illegible][illegible]

| | | | | | | |
|-------|-------------------------|-----|-------|------|-----|---|
| Oct | Oct 10th 100 | 250 | 112.8 | 55.4 | 2.0 | 4 |
| Jan | Seaplane Landing 200 | 275 | 114.4 | 7.1 | 11 | 7 |
| Sept | Agrifish, Scientific | 190 | 5.4 | 15.3 | 2.4 | 4 |
| — | Octfish Instruments 100 | 286 | 15.4 | 1.8 | 63 | — |
| — | Wacane Fly P22.5 | 34 | 10.0 | — | — | — |
| Feb. | Oct Water Gun | 190 | 112.8 | 7.5 | 25 | 5 |
| — | W. Wayne Korr 100 | 105 | — | 11.9 | 42 | 2 |
| — | Aspenstrider E3 1250 | 130 | 11.2 | 12.6 | 3.2 | 2 |
| Oct | Julyfish, Select 500 | 32 | 5.4 | 1.1 | 11 | 7 |
| — | December Northwest E 50 | 780 | 19.1 | 1.51 | 37 | 2 |
| April | Oct Whiteface Fly 100 | 260 | 25.2 | — | — | — |
| — | Julyfish, Select 500 | 32 | 5.4 | 1.6 | 1.5 | 1 |
| — | Octfly 100 | 22 | 13.8 | — | — | — |
| Aug | Julyfly Dynamics 50 | 22 | 13.8 | — | — | — |

| | | | | | | |
|-------|-------------------|-------|------|-------|------|---|
| Oct | May/APV 500 | 250 | 29.4 | 11.25 | 0.9 | 6 |
| June | Northwest Gun | 178 | 29.4 | 6.7 | 27.2 | 5 |
| Nov | May/APV & Lucy | 343 | 15.4 | 20.0 | 1.6 | 8 |
| March | Northwest Infr 50 | 77.50 | 11 | 2.0 | 16 | 8 |

| | WFOld Sp. | 101 | 2.3 2.7 |
|----------------------------|-------------------------|-----|---------------|
| HOTELS AND CATERERS | | | |
| June | Washington Htl. | 95 | 15.4 2.2 3.6 |
| Apr | Jameson Htl. | 100 | 10.2 1.1 5.3 |
| May | McCormack Htl. 10p | 128 | 29.4 6.6 8.2 |
| Apr | McCormack Htl. | 321 | 12.8 7.6 2.7 |
| January | Wm. Landon Sp. | 47 | 33.2 1.0 4.0 |
| May | Hill Kennedy Bros. Htl. | 45 | 29.4 22.5 1.4 |
| Jan | Hill Kennedy Bros. Htl. | 243 | 25.3 1.6 11.7 |
| July | Delaware Htl. | 282 | 9.4 1.0 1.1 |
| July | McLellan Park Htl. | 395 | 17.6 4.7 3.1 |
| June | Delaware Htl. 50p | 225 | 33.1 1.1 3.3 |
| July | Delaware Htl. | 225 | 33.1 1.1 3.3 |
| May | Richmond Capital Sp. | 228 | 12.8 1.2 1.2 |
| June | Richmond Capital Sp. | 180 | 10.2 4.8 |
| May | Jameson Htl. 50p | 104 | 1.6 1.5 3.1 |
| June | Jameson Htl. | 104 | 1.6 1.5 3.1 |
| May | McCormack Htl. 50p | 109 | 1.4 1.7 1.7 |
| Apr | McCormack Htl. | 109 | 1.4 1.7 1.7 |
| Apr | Del. Trac's PL CL | 104 | 7.6 12.5 |
| April | Wm. Harts Sp. | 254 | 11.3 0.8 3.7 |

[illegible]

255
238
3196
112
148
109
8
108
189
386
13211
116
143
63
114
773
F122
750
201
173
7

| | | | | | | | |
|---|---|---|---|---|--|---|---|
| 8 | Pitch corrector entertains girl-mole, perhaps (9) | Sir Alan Marre, 44 The Vale, London NW11. | 4.30 Promoters. 6.00 Bullseye. 6.30 The Baron. 6.30 News. 6.40 Appeal. 6.45 Mary O'Hara and Friends. 7.15 | Daily. 1.00 pm 'A Question of Faith'. 1.20 Farming Outlook. 2.30 Film: "Botany Bay," starring James Mason | Farming Outlook. 2.30 Promoters. 2.50 Scotsport. 5.00 Wild Heritage. 5.30 Chips. 6.45 Reflections. 11.30 GPO | Sky. 3.00 Dreams. 3.30 Hart 10 Hart. 11.45 That's Hollywood. 12.15 am | Just to hear me singing. 1.00 am - 5.00 am. Challis (S). 3.00-4.00 (S) Gloria Hunniford. 12.00-12.15 am News. 12.15 |
|---|---|---|---|---|--|---|---|

INDUSTRIALS—Continued

[illegible]**LEISURE—Continued**[illegible]**PROPERTY—Cont**[illegible]**INVESTMENT TRUSTS—Con**[illegible]**FINANCE, LAND—Cont.**[illegible]**MINES—Continued**[illegible]

| | | | | | | |
|-----------------------|------|------|---------|---|------|---|
| Alexander & Alexander | E194 | 30.7 | +051.00 | 1 | 3.6 | 1 |
| Do 11ac Cnv. 5100 | E92 | 15.4 | 011% | 1 | 13.9 | 1 |

[illegible]

| | |
|-----------------|----------|
| PROPERTY | |
| Search Levy | 13 29.20 |

[illegible]

TRUSTS, FINANCE

[illegible]

| Finance, Land, etc | | | | |
|--------------------|-------|------|-----|-------|
| Stock | Bonds | Last | Div | Yield |

| | | | | | | | | | | | |
|------|-----|----|-------|--------------|----------|-----|------|-----|----|-------|--------------|
| 1949 | Jan | 10 | 10:30 | Albany Wash. | Football | 1-0 | 1949 | Jan | 10 | 10:30 | Albany Wash. |
| 1949 | Jan | 17 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jan | 17 | 1:00 | Albany Wash. |
| 1949 | Jan | 24 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jan | 24 | 1:00 | Albany Wash. |
| 1949 | Jan | 31 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jan | 31 | 1:00 | Albany Wash. |
| 1949 | Feb | 7 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Feb | 7 | 1:00 | Albany Wash. |
| 1949 | Feb | 14 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Feb | 14 | 1:00 | Albany Wash. |
| 1949 | Feb | 21 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Feb | 21 | 1:00 | Albany Wash. |
| 1949 | Feb | 28 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Feb | 28 | 1:00 | Albany Wash. |
| 1949 | Mar | 7 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Mar | 7 | 1:00 | Albany Wash. |
| 1949 | Mar | 14 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Mar | 14 | 1:00 | Albany Wash. |
| 1949 | Mar | 21 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Mar | 21 | 1:00 | Albany Wash. |
| 1949 | Mar | 28 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Mar | 28 | 1:00 | Albany Wash. |
| 1949 | Apr | 4 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Apr | 4 | 1:00 | Albany Wash. |
| 1949 | Apr | 11 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Apr | 11 | 1:00 | Albany Wash. |
| 1949 | Apr | 18 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Apr | 18 | 1:00 | Albany Wash. |
| 1949 | Apr | 25 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Apr | 25 | 1:00 | Albany Wash. |
| 1949 | May | 2 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | May | 2 | 1:00 | Albany Wash. |
| 1949 | May | 9 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | May | 9 | 1:00 | Albany Wash. |
| 1949 | May | 16 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | May | 16 | 1:00 | Albany Wash. |
| 1949 | May | 23 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | May | 23 | 1:00 | Albany Wash. |
| 1949 | May | 30 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | May | 30 | 1:00 | Albany Wash. |
| 1949 | Jun | 6 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jun | 6 | 1:00 | Albany Wash. |
| 1949 | Jun | 13 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jun | 13 | 1:00 | Albany Wash. |
| 1949 | Jun | 20 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jun | 20 | 1:00 | Albany Wash. |
| 1949 | Jun | 27 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jun | 27 | 1:00 | Albany Wash. |
| 1949 | Jul | 4 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jul | 4 | 1:00 | Albany Wash. |
| 1949 | Jul | 11 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jul | 11 | 1:00 | Albany Wash. |
| 1949 | Jul | 18 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jul | 18 | 1:00 | Albany Wash. |
| 1949 | Jul | 25 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Jul | 25 | 1:00 | Albany Wash. |
| 1949 | Aug | 1 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Aug | 1 | 1:00 | Albany Wash. |
| 1949 | Aug | 8 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Aug | 8 | 1:00 | Albany Wash. |
| 1949 | Aug | 15 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Aug | 15 | 1:00 | Albany Wash. |
| 1949 | Aug | 22 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Aug | 22 | 1:00 | Albany Wash. |
| 1949 | Aug | 29 | 1:00 | Albany Wash. | Football | 1-0 | 1949 | Aug | 29 | 1:00 | Albany Wash. |
| 1949 | Sep | 5 | 1:00 | Albany Wash. | Football | 1- | | | | | |

| Teas | | | | |
|----------------|-----|------|-----|--|
| Assam Doars £1 | 855 | 29.4 | 9.0 | |

[illegible]

dividend, cover on earnings updated by latest interim statement for conversion of shares not now ranking for dividend for restricted dividend.

[illegible][illegible]

25

[illegible]

Financial Times (Europe) Ltd
Gulhofstrasse 54
6000 Frankfurt/Main 1
West Germany
Tel: 75980 Telex: 416193

Continued on Page 22

| | | | | | | | | | | | | | | | | |
|-----|----|-----|--------|-----|-----|----|----|----|-----|-----|-------|----|-----|----|-----|-----|
| 70 | 50 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 43 | 27 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 71 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 10 | 10 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 72 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 12 | 12 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 73 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 14 | 14 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 74 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 16 | 16 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 75 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 18 | 18 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 76 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 20 | 20 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 77 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 22 | 22 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 78 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 24 | 24 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 79 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 26 | 26 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 80 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 28 | 28 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 81 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 30 | 30 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 82 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 32 | 32 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 83 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 34 | 34 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 84 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 36 | 36 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 85 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 38 | 38 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 86 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 40 | 40 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 87 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 42 | 42 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 88 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 44 | 44 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 89 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 46 | 46 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 90 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 48 | 48 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 91 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 50 | 50 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 92 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 52 | 52 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 93 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 54 | 54 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 94 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 56 | 56 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 95 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 58 | 58 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 96 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 60 | 60 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 97 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 62 | 62 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 98 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 64 | 64 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 99 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 66 | 66 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 100 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 68 | 68 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 101 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 70 | 70 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 102 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 72 | 72 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 103 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 74 | 74 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 104 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 76 | 76 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 105 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 78 | 78 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 106 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 80 | 80 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 107 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 82 | 82 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 108 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 84 | 84 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 109 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 86 | 86 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 110 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 88 | 88 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 111 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 90 | 90 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 112 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 92 | 92 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 113 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 94 | 94 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 114 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 96 | 96 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 115 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 98 | 98 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 116 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 100 | 100 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 117 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 102 | 102 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 118 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 104 | 104 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 119 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 106 | 106 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 120 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 108 | 108 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 121 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 110 | 110 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 122 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 112 | 112 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 123 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 114 | 114 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 124 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 116 | 116 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 125 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 118 | 118 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 126 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 120 | 120 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 127 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 122 | 122 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 128 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 124 | 124 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 129 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 126 | 126 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 130 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 128 | 128 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 131 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 130 | 130 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 132 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 132 | 132 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 133 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 134 | 134 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 134 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 136 | 136 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 135 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 138 | 138 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 136 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 140 | 140 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 137 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 142 | 142 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 138 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 144 | 144 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 139 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 146 | 146 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 140 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 148 | 148 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 141 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 150 | 150 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 142 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 152 | 152 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 143 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 154 | 154 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 144 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 156 | 156 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 145 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 158 | 158 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 146 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 160 | 160 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 147 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 162 | 162 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 148 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 164 | 164 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 149 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 166 | 166 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 150 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 168 | 168 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 151 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 170 | 170 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 152 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 172 | 172 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 153 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 174 | 174 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 154 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 176 | 176 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 155 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 178 | 178 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 156 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 180 | 180 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 157 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 182 | 182 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 158 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 184 | 184 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 159 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 186 | 186 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 160 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 188 | 188 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 161 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 190 | 190 | ReCHC | 80 | 2.1 | 33 | 379 | 379 |
| 162 | 89 | OnG | pt8.04 | 1.3 | 450 | 67 | 87 | 87 | 192 | 192 | | | | | | |

[illegible]

Prices at 3pm, August 26

[illegible]

AMEX COMPOSITE PRICES

Prices at 3pm, August 26

| STOCK COMBUSTION PRICES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|----|-----|--------|--------|--------|--------|--------|-----|-----|------|--------|--------|--------|--------|----|-----|--------|--------|-------|--------|----|---|-----|------|-----|-------|--------|-------|--|--|--|--|--|--|--|--|--|
| Stock | | | | | | | | | | | | | | Stock | | | | | | | | | | | | | | Stock | | | | | | | | | |
| Dr | P | Sts | High | Low | Class | Change | Dr | P | Sts | High | Low | Class | Change | Dr | P | Sts | High | Low | Class | Change | Dr | P | Sts | High | Low | Class | Change | | | | | | | | | | |
| AcmeP | | 2 | 25 | 24 | | 1/2 | Cubic | 90 | 11 | 23 | 21 1/2 | 21 1/2 | | 21 1/2 | 11 | 23 | 11 1/2 | 11 1/2 | | 11 1/2 | | R | | | | | | | | | | | | | | | |
| Accon | | 18 | 2 | 1 1/2 | | 1/2 | Curcio | 92 | 8 | 26 | 26 1/2 | 26 1/2 | | 26 1/2 | 18 | 26 | 11 1/2 | 11 1/2 | | 11 1/2 | | R | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | DW | 138 | 6 | | | | | | 12 | 20 | 11 1/2 | 11 1/2 | | 11 1/2 | | R | | | | | | | | | | | | | | | |
| Adobe | 28 | 12 | 11 1/2 | 11 1/2 | 11 1/2 | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | 14 | 18 | | | | | D | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adm | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

OVER-THE-COUNTER

Nasdaq national market 2.30pm prices

[illegible][illegible]

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Shadow cast by economy and rates

THE DILEMMA over the outlook for the U.S. economy and for domestic interest rates resurfaced on Wall Street yesterday, casting a shadow over both bond and stock prices, writes Terry Byland in New York.

Turnover remained low, well below that of an average session, but the Dow 1,312 mark again proved a support level for the stockmarket.

At 3pm the Dow Jones industrial average was down 1.0 at 1,317.32.

Publication of the minutes for the July meeting of the Federal Reserve's Open Market Committee (FOMC), indicating some bias towards tightening policy if money supply continues to soar, heightened the debate in the credit market.

Last week's flood of \$2.3bn in corporate borrowing reflected the view of many corporate managers and credit market analysts that interest rates, having fallen by about 20 basis points or so this month, may be about to bottom out. FOMC concern over money supply, together with a pick-up in the economy, could open the way to higher rates.

However, with most economic signposts still pointing to a slower economy, the bond market remains undecided. Federal funds continued to trade below 8 per cent, and there was no sign of intervention yesterday by the Federal Reserve. Bond prices opened with falls of about 1/4 of a point and then steadied in quiet trading.

The stock market again showed sluggish trading in blue chips, but a spurt of features among the takeover of special situation stocks.

SCM, the Park Avenue-based typewriter to chemicals group, gained 3 1/4 to \$68 after its directors had unanimously urged rejection of the \$60 a share offer from Hanson Trust of the UK. Wall Street, taking its cue from the SCM board's comments, hopes for a rival bid, perhaps in the shape of a leveraged buyout, or higher terms from Hanson.

Mr T. Boone Pickens returned to the spotlight with his plan to take Mesa Petroleum private, sending the stock ahead 5 1/4 to \$17 in turnover heavy

enough to top the active stocks' list in early trading.

Among TV entertainment stocks, Viacom International jumped 5 1/4 to \$50 1/4, on its purchase of a batch of network interests from Warner Communications and Warner Amex Cable.

Takeover excitement in the airline sector died away, with TWA, now firmly under Mr Carl Icahn's control, unchanged at \$22 1/4. Pan Am eased 5/8 to \$8 in much reduced turnover. Attention turned back to earnings prospects in the industry, with investors favouring United, 5 1/4 up at \$56 1/4 and Eastern, 3/4 better at \$11 1/4.

But Northwest Airlines gained 1 1/4 to \$55 1/4 after attracting attention as a possible takeover candidate.

The Detroit motor stocks were restrained by Wall Street's doubts over the generous financing plans by the major manufacturers, described by a Chrysler executive as tantamount to price cuts. Ford at \$43 1/4 edged up 5/8, while General Motors at \$66 1/4 and Chrysler at \$38 1/4 showed similar gains.

The high-technology sector also moved sluggishly, with semiconductor stocks weakish after National Semiconductor, unchanged at \$31 1/4, admitted a loss of \$44m for the first eight weeks of the current quarter.

Among the main-frame manufacturers, IBM edged up 5/8 to \$127 1/4. Honeywell added 5/8 to \$62 1/4, and Burroughs 3/4 to \$64 1/4. At \$100 1/4, Digital Equipment gained 1 1/4.

AT&T, still smarting from last week's disclosure of plans for substantial labour cuts at its computer and business phones division, eased 5/8 to \$21 1/4.

There was some profit-taking among the pharmaceutical stocks, which have advanced strongly over the past weeks. Merck, the industry leader, and also a constituent of the Dow industrial average, fell 1 1/4 to \$115 1/4. Upjohn, an erratic mover recently as prospects for its anti-baldness medicine are debated on Wall Street, gave up 3/4 to \$105 1/4.

In the credit markets, Treasury bill rates edged higher in the face of a busy week of federal financing at the short end of the market. The bond market was sluggish but rallied from its early falls.

CANADA

SPURRED by a modest increase in gold, stocks turned mixed at mid-session in Toronto. The composite index added 1.89 points to 2772.33.

Lac Minerals gained 3 1/4 to C\$35 1/4 and Masco put on 4 cents to C\$2.

Among industrial actives, Pagurian was up 3/4 to C\$9 1/4. In Montreal banks and utilities moved higher while industrials eased.

EUROPE

Foreigners favour oils and cars

FOREIGN buying buoyed European bourses yesterday and interest centred on car and oil issues. However, London's absence from the market kept trading in bonds to a minimum and most prices ended barely changed.

Deutscher was the centre of attention in Frankfurt, closing at a record high of DM 929 after a gain of DM 28. BMW rose DM 9 to DM 445 and Porsche jumped DM 35 to DM 1,305.

VW, which expects a 12 per cent rise in car sales for 1985 and has announced that it will build 40,000 cars by the beginning of 1987 under the joint venture scheme in China, recorded a gain of DM 5.40 to DM 322.9.

The Commerzbank index, which is calculated at mid-session, missed the late rise in many sectors but still added 13.8 to 1,428.8.

Benefiting from the interest for domestic issues, retail store stocks rose, led by Karstadt, which added DM 8.90 to DM 268.90. Kaufhof followed, with a DM 6 gain to DM 292, and Herten DM 3.50 to DM 193.50.

Interest-rate-sensitive banks also picked up, with Deutsche Bank, DM 6 higher at DM 562, leading the trend. Dresdner Bank and Commerzbank added DM 1.50 and DM 1.30 to finish at DM 289 and DM 205.80 respectively.

In less active electrical issues, Siemens added DM 1 to DM 540, Nixdorf DM 1.50 to DM 531.50, while AEG, which now has 99 per cent control of loss-making typewriter manufacturer Olympia, rose 10 pf to DM 131.20.

A dearth of fresh factors and a pause for breath after last week's hefty gains left bonds posting rises or losses of about 10 pf. Longer-dated maturities, however, advanced by 10 pf.

The Bundesbank continued its buying spell, taking up DM 3.6m of paper after purchasing DM 6.9m on Friday.

Demand in Amsterdam for blue chips and banks was the only feature in otherwise lifeless trading. The ANP-CBS General index inched up 0.1 to 217.4 on the back of advances from the big international issues.

ABN added Ff 2.50 to Ff 505.50 ex-rights, NMB Ff 1.20 to Ff 209.20 and Am-

ro to 80 cents to Ff 87.20. However, mortgage bank FGH shed Ff 4 to Ff 58.40 on lower-than-expected profits for the first half.

Insurers were mixed ahead of their results, which are due later this week. Amey advanced Ff 1 to Ff 280, while Aegon eased 20 cents to Ff 99.80 and Nationale declined 30 cents to Ff 77.90.

Advances among the international were led by KLM, which added Ff 1.10 to Ff 61.90. Royal Dutch gained Ff 1 to Ff 191.20, Azko 60 cents to Ff 124.30, Unilever 80 cents to Ff 329 and Philips 40 cents to Ff 46.60.

Dutch government bond prices were lower where changed, experiencing falls of 10 to 20 cents.

Zurich continued to react favourably to declining interest rates and recent positive company news. Most prices end-

Stock exchanges in London, Hong Kong and Singapore were closed yesterday because of local holidays.

ed steady, buoyed by local and foreign interest in selected issues.

Banks and insurers were mixed to slightly higher. Helvetia rose SwFr 40 to SwFr 2,490, Swiss Re SwFr 50 to SwFr 13,200, while Swiss Bank, at SwFr 483, and Credit Suisse, at SwFr 3,045, were both unchanged.

Swiss foreign bonds continued slightly firmer.

Paris remained narrowly mixed as investors sought to position themselves on advancing issues ahead of the new bourse month.

Oils were generally firmer, with Elf Aquitaine FFr 4.80 higher at FFr 204.70. Car issue Peugeot also extended its recent gains, adding FFr 9 to FFr 390.

Metal issues continued the rally that was set off last week by bargain hunters and retreating stocks were narrowly higher.

Rises in oil stocks were the only feature in a quiet Brussels, where most issues ended mixed.

Heavyweight Petrofina added BFr 70 to BFr 6,020 and that helped to lift the Brussels cash index up 3.19 to 2,338.06.

Petrofina's gains came before the announcement that its chairman and chief executive, M Adolphe Demure de Lespaul, had died on Sunday.

In a mixed Stockholm, Ericsson ended unchanged at SEK 224 while announcing that it had won a \$28m order from China for 10 digital telephone exchanges.

Elsewhere, Electrolux added SEK 2 to SEK 268.

Madrid rose in light trading as investors sought banks and utilities, while Milan eased ahead of month-end deadlines that dampened initiative.

TOKYO

Interest in construction builds up

MOST large-capital issues remained popular and constructions attracted buyers in Tokyo yesterday, while biotechnologies plunged toward the close, writes Shigeo Nishiwaki of Jiji Press.

The decline in biotechnology issues was led by Asahi Chemical, which tumbled on rumours that the anti-cancer drug it is developing has harmful side effects.

The Nikkei-Dow market average lost 38.32 to 12,651.77. Volume continued high at 503.53m shares, up from 455.84m last Friday. Declines led advances 383 to 365, with 180 issues unchanged.

Big-capital issues, which have been favoured by institutional investors since early last week, continued to benefit from the world trend toward lower interest rates.

Mitsubishi Heavy Industries was prominent, ranking first of the top 10 stocks with 88m shares changing hands, it rose Y8 to Y403 at one stage, but finished only Y2 up at Y396.

Some other shipbuilding issues advanced in sympathy. Kawasaki Heavy Industries gained Y7 to Y227 and Ishikawajima-Harima Heavy Industries Y4 to Y262. Japan Steel Works, a defence stock, also gained Y4 to Y288. Nippon Steel was traded actively, but closed Y2 down at Y177 on late selling.

Constructions stood out among public works-related stocks. Obayashi, added Y24 to Y434, Taisei Y9 to Y338 and Kajima Y5 to Y466.

Asahi Chemical climbed Y10 to Y885 before dropping Y35 to Y850 after the rumours circulated. Its asked price fell to Y830 and sell orders for more than 600,000 shares remained unfilled.

Other biotechnology issues also slid on small-lot selling. Dainippon Pharmaceutical closed at Y3,440, down Y130 from the previous close. Yamanouchi Pharmaceutical shed Y230 to Y2,970, Daiichi Seiyaku Y40 to Y2,340 and Green Cross Y40 to Y2,210.

Elsewhere, blue chips, particularly electricals, eased on light selling. Hitachi fell only Y1 to Y874, but Victor Company of Japan plunged Y150 to Y1,260.

The bond market weakened slightly in extremely thin trading. Investors and

brokers shunned both the over-the-counter and inter-broker markets, with institutional investors and securities firms becoming reluctant to buy in anticipation of a further decline in U.S. interest rates.

Moreover, they were awaiting the outcome of the negotiations which began yesterday between the Finance Ministry and the underwriting syndicate on the issue terms for the September flotation of 10-year government bonds.

The yield on the benchmark 6.8 per cent government bond due in December 1994 rose slightly to 6.190 per cent from last Saturday's 6.185 per cent.

AUSTRALIA

THE CORRECTION from sharp gains earlier in the month continued in Sydney yesterday and the All Ordinaries index dropped 2.9 to 942.3.

High domestic interest rates, some uncertainty over proposed changes to the Australian taxation system and concern over possible wage increases led to the decline.

Industrial issues were among the hardest hit in dull trading. Market leader BHP lost 10 cents to A\$7.04 while CSR shed 1 cent to A\$3.01.

North Broken Hill added 15 cents in early trading but lost 4 cents to end 11 cents higher at A\$2.66 following a special sale late on Friday of more than 2m shares, reportedly to overseas interests.

In takeover situations, Castlemaine Tooheys traded unchanged at the Bond Corporation bid price of A\$8.25 with more than 1.8m shares changing hands. Castlemaine's chairman has advised shareholders not to accept the bid and is waiting for a possible rival offer from another company, which is likely to be based overseas. Bond Corporation added 6 cents to A\$1.70.

SOUTH AFRICA

STRONG demand for selective issues took prices higher in Johannesburg and a firm bullion price led to active buying in gold stocks.

Randfontein added R2 to R200 and Blyvoor advanced 70 cents to R13.80. Buffels rose R1.25 to R14.75, Anglo American Gold R1 to R188.50 and Driefontein R1 to R50.

Mining financials and platinum also firmed with Gencor adding 50 cents to R27.50, Anglo American Corporation 10 cents to R30.50, and Rustenburg Platinum 75 cents to R18.15.

Other miners were generally steady with diamond share De Beers up slightly at R11.95, a gain of 5 cents on Friday's price.

Own land in the great American West

America. More than two hundred years old and still waiting for many people to claim their share of it. For themselves and for the future of their families. Imagine one of the most beautiful landscapes in the world and what it could mean to have part of it for your own.

What more perfect way to stake your claim than by purchasing five glorious acres in the Colorado Rockies for yourself and those you love. At Sangre de Cristo Ranches you can still own a sizeable piece of America at a very modest cost and on easy credit terms. This is scenic land in one of the fastest-growing states in the USA, a piece of the unspoiled, romantic old Southwest.

Sangre de Cristo Ranches is a subsidiary of Forbes Inc., publishers of the highly respected American business and financial publication, FORBES MAGAZINE. The land being offered for sale to you is a part of the huge 258,000-acre Forbes Trinchera Ranch, one of the oldest of the remaining big ranches in America. A sportsmen's paradise in all seasons for hunting, fishing, riding, hiking and boating. With fine skiing less than 50 miles away, the ranch ranks among the world's best-known preserves for deer, elk, game birds and other wildlife.

You can own majestic mountain views of Trinchera Peak and Mount Blanca (higher than Pikes Peak) which stand as silent sentinels protecting the rolling foothills and

valley that make up our Sangre de Cristo Ranches.

The land lies about 200 miles southwest of Denver, just east of US Route 160... the Navajo Trail. Its town is historic Fort Garland, the last command of Kit Carson.

For as little as \$4,500 total cash price you can purchase your own 5-acre Sangre de Cristo Ranch, with payments as low as \$45 monthly.

Important money-back and exchange privileges backed by FORBES MAGAZINE's distinguished reputation have contributed much to the great success of this unusual land offering.

Five or more acres of this land can be yours. Easy credit terms available.

For complete details on this wonderful opportunity, without obligation, please fill in and mail coupon today.

FORBES EUROPE
SANGRE DE CRISTO RANCHES INC.
P.O. BOX 86
LONDON SW11 3UT
ENGLAND

Name _____

Address _____

Telephone _____

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of this property. Equal Credit and Housing Opportunity

New Issue

This announcement appears as a matter of record only.

May 1985

National Westminster Bank PLC

(Incorporated in England with limited liability)

Issue of

U.S.\$1,000,000,000

Primary Capital FRNs

(Floating Rate Notes)

comprising

U.S.\$500,000,000 Primary Capital FRNs (Series "A")
U.S.\$500,000,000 Primary Capital FRNs (Series "B")

Issue Price 100%

County Bank Limited

Credit Suisse First Boston Limited
Morgan Guaranty Ltd
Orion Royal Bank Limited
Shearson Lehman Brothers International

Merrill Lynch Capital Markets
Morgan Stanley International
Salomon Brothers International Limited
S. G. Warburg & Co. Ltd.

Bank of Tokyo International Limited
Barclays Merchant Bank Limited
Credito Commercial de France
Girozentrale und Bank der österreichischen Sparkassen
Aktiengesellschaft

Banque Paribas Capital Markets
Commerzbank Aktiengesellschaft
Dresdner Bank Aktiengesellschaft
Goldman Sachs International Corp.

IBJ International Limited
Lloyds Bank International Limited
Mitsubishi Finance International Limited

Kidder, Peabody International Limited
LTCB International Limited
Mitsubishi Trust & Banking Corporation
(Europe) S.A.

Samuel Montagu & Co. Limited
Sumitomo Finance International
Swiss Bank Corporation International Limited
Westdeutsche Landesbank Girozentrale

Nomura International Limited
Sumitomo Trust International Limited
Union Bank of Switzerland (Securities) Limited
Yamaichi International (Europe) Limited

Algemene Bank Nederland N.V.
Banque Bruxelles Lambert S.A.
Baring Brothers & Co., Limited
Citicorp International Bank Limited
Credito Agricole
Dai-ichi Kangyo International Limited
Dominion Securities Pitfield Limited
Handelsbank N.W. (Overseas) Ltd.
Kansallis-Osake-Pankki
F. van Lanschot Bankiers N.V.
Mitsui Finance International Limited
Morgan Grenfell & Co. Limited
Oesterreichische Länderbank Aktiengesellschaft
Sparkassen SDS
Takugin International Bank (Europe) S.A.

Bank of Yokohama (Europe) S.A.
Banque Nationale de Paris
Christiania Bank og Kreditkasse
Commonwealth Bank of Australia
Credito Lyonnais
Daiwa Europe Limited
Fuji International Finance Limited
Hill Samuel & Co. Limited
Kleinwort, Benson Limited
Manufacturers Hanover Limited
Mitsui Trust Bank (Europe) S.A.
Nippon Credit International (HK) Ltd.
Société Générale
Svenska Handelsbanken Group
Westpac Banking Corporation